Employment, Immigration and Industry

Annual Report
2006-2007

Alberta

This report was prepared on behalf of the Ministry by the Department of Alberta Employment, Immigration and Industry in collaboration with the Alberta Labour Relations Board and the Appeals Commission for Alberta Workers' Compensation.

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Fall 2007

ISSN 1913-6498

2008-02052/

Employment, Immigration and Industry

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2006-07

CONTENTS

p2 Preface
p3 Minister's Accountability Statement
p4 Message from the Minister
p6 Management's Responsibility for Reporting

p7 Overview
p8 Organizational Charts
p17 Operational Overview
p28 Ministry Organization Changes 2006-07
p32 Highlights of Key Accomplishments

p37 Results Analysis
p38 Message from the Deputy Minister
p39 Auditor General's Report on Performance Measures
p40 Integrated Results Analysis
p53 Detailed Program Results Analysis and Discussion
Core Business 1: Employment
p55 Goal 1: All Albertans share in and contribute to the economic prosperity of Alberta
Core Business 2: Immigration
p65 Goal 2: Alberta is able to attract workers to the province
Core Business 3: Industry
p69 Goal 3: Alberta has a competitive and sustainable economy
p81 Goal 4: Alberta has strong and vibrant regions and rural communities
p87 Goal 5: Alberta has a fair, safe and healthy work environment
Alberta Labour Relations Board (ALRB)
p93 Goal 6: Alberta has a fair, equitable and stable labour relations environment
Appeals Commission for Alberta Workers' Compensation (Appeals Commission)
p97 Goal 7: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions
p99 **Future Challenges**

p103 Ministry Financial Information
p104 Ministry Financial Analysis and Discussion
p110 Financial Statements
p111 Auditor's Report on Ministry Financial Statements
p134 Supplementary Ministry Financial Information
p137 Workers' Compensation Board Financial Statements

p185 Appendices
p186 Appendix A Government Organization Changes 2006-07
p188 Appendix B Ministry Acts
p191 Appendix C Ministry Office Locations
p197 Appendix D Alphabetical List of Government Entities' Financial Statements
p202 Appendix E Performance Measures Sources and Methodologies

Preface

Public Accounts 2006-07

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 20 Ministries.

The annual report of the Government of Alberta released June 21, 2007 contains the Minister of Finance's accountability statement and the consolidated financial statements of the Province. The *Measuring Up* report released June 28, 2007 provides a comparison of the actual performance results to the desired results set out in the government's business plan.

This annual report of the Ministry of Employment, Immigration and Industry contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes:

- **the financial statements of entities making up the Ministry,**
- **other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report, and**
- **additional information relating to the Department of Employment, Immigration and Industry, Alberta Economic Development Authority, Northern Alberta Development Council, Alberta Labour Relations Board, Appeals Commission for Alberta Workers' Compensation, and Workers' Compensation Board – Alberta.**

Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2007, was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as at September 1, 2007 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Iris Evans
Minister of Employment, Immigration and Industry

Message from the Minister

At the end of 2006, government changed, welcoming a new premier, new cabinet, several new ministries and a new direction for the province. Premier Stelmach gave me the gift of leading the newly formed Department of Employment, Immigration and Industry (EII). Several teams were combined to form this new department, including staff involved in Aboriginal programs, status of women, labour strategy, health and safety of workers, economic development, rural development, and immigration. These teams coordinated efforts to tackle enormous change while continuing to deliver great service to Albertans and address the labour force needs of the province.

EII's mission is to build Alberta's economy and workforce to ensure a vibrant and prosperous province for all Albertans. I am proud to be a part of these activities and think they can be simplified even further – this department is about helping people be successful to ensure maximum benefit for all Albertans.

The 2006-07 fiscal year saw continued, unprecedented growth in the province – one of the strongest ever recorded by a Canadian province. The numbers are truly impressive; in 2006, $90 billion in exports, $75 billion in investment, a record low 3.4 per cent unemployment rate and 86,240 employment growth.

News of Alberta's economy has spread – Alberta is a magnet for investment worldwide. On a per capita basis, investment in Alberta is more than double the national average. In the last year, I have had the opportunity to travel to Europe and the United States, bringing news of what Alberta has to offer and encouraging investment.

With the province's continued growth comes a challenge of labour and skill shortages. Launched in 2006, Alberta's comprehensive 10-year labour strategy, *Building and Educating Tomorrow's Workforce*, is a guide for increasing the number of workers, enhancing the skills and opportunities for people who have traditionally struggled to find and keep jobs, and encouraging innovative workplaces. EII continues to work on addressing the labour shortage in Alberta through renewed funding for Aboriginal students, strategies to retain mature workers, and increased technology adoption. Our first priority is to ensure Albertans who are willing and able to work, can do so.

With Alberta's low unemployment rate, we still need more people to fill the job openings. Immigration and temporary workers are a valuable resource to help manage growth pressures and build a stronger Alberta. We continue to work with our partners and stakeholders to attract and retain immigrants, and support their successful transition into the social, cultural and economic life of the province.

I have heard many examples of people who have received support and advice from a variety of programs we offer to match them to a job suited to their abilities or to achieve their dreams of a new life in a new place. Having people who are well-matched to and happy in their jobs contributes to a strong labour force for the future.

I am particularly proud of the more than 500 additional people who came forward due to the decision to extend the time limit under the Alberta Income Support Class Action Settlement. The decision was made to be as fair as possible to Albertans who needed more time to make claims and allowed for notices to be placed in newspapers to let more people know about the proposed settlement process.

These are just a few of the highlights from a banner year. Looking to the future, EII will continue to work on addressing the labour shortage, continuing improvements to the immigration process, and expanding economic development including new or emerging technology and alternative energy. The remainder of this document will paint a complete picture of all the work this department is doing for Alberta.

Iris Evans
Minister
Employment, Immigration and Industry

Management's Responsibility for Reporting

The Ministry of Employment, Immigration and Industry includes:

- Department of Employment, Immigration and Industry
- Alberta Economic Development Authority
- Northern Alberta Development Council
- Alberta Labour Relations Board
- Rural Alberta's Development Fund
- Appeals Commission for Alberta Workers' Compensation
- Workers' Compensation Board Medical Panels
- Workers' Compensation Board – Alberta
- Occupational Health and Safety Council

The executives of the individual entities within the Ministry have the primary responsibility and accountability for their respective entities. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Employment, Immigration and Industry. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The consolidated financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Employment, Immigration and Industry any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives of the individual entities within the Ministry.

Ulysses Currie
Deputy Minister
Employment, Immigration and Industry

September 1, 2007

Overview

Employment, Immigration and Industry

Overview

- Organizational Charts
- Operational Overview
- Ministry Organization Changes 2006-07
- Highlights of Key Accomplishments

Organizational Charts

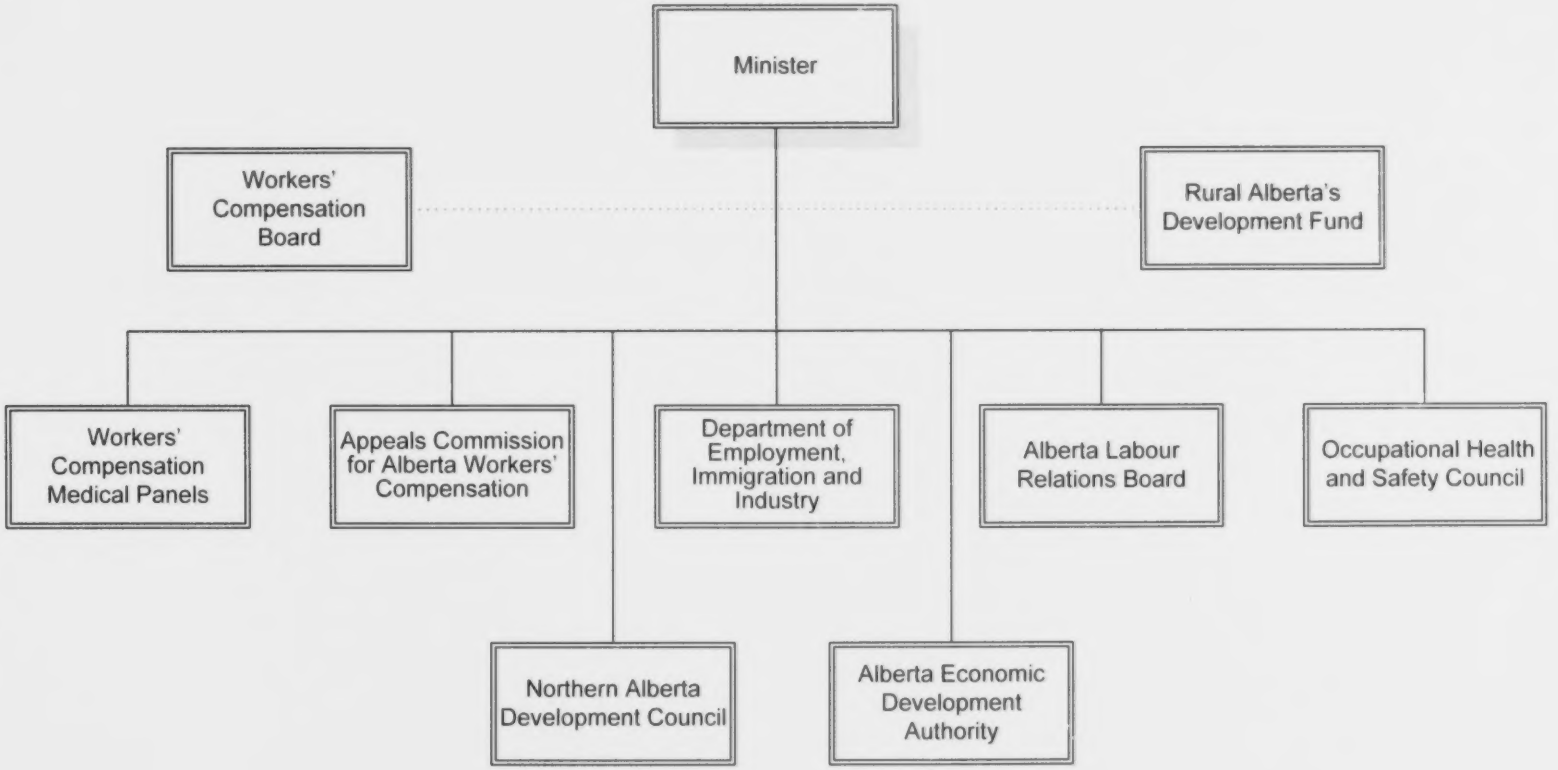
The following organizational charts are included in this annual report:

- Ministry of Employment, Immigration and Industry
- Department of Employment, Immigration and Industry
- Alberta Economic Development Authority
- Northern Alberta Development Council
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation
- Workers' Compensation Medical Panels
- Occupational Health and Safety Council

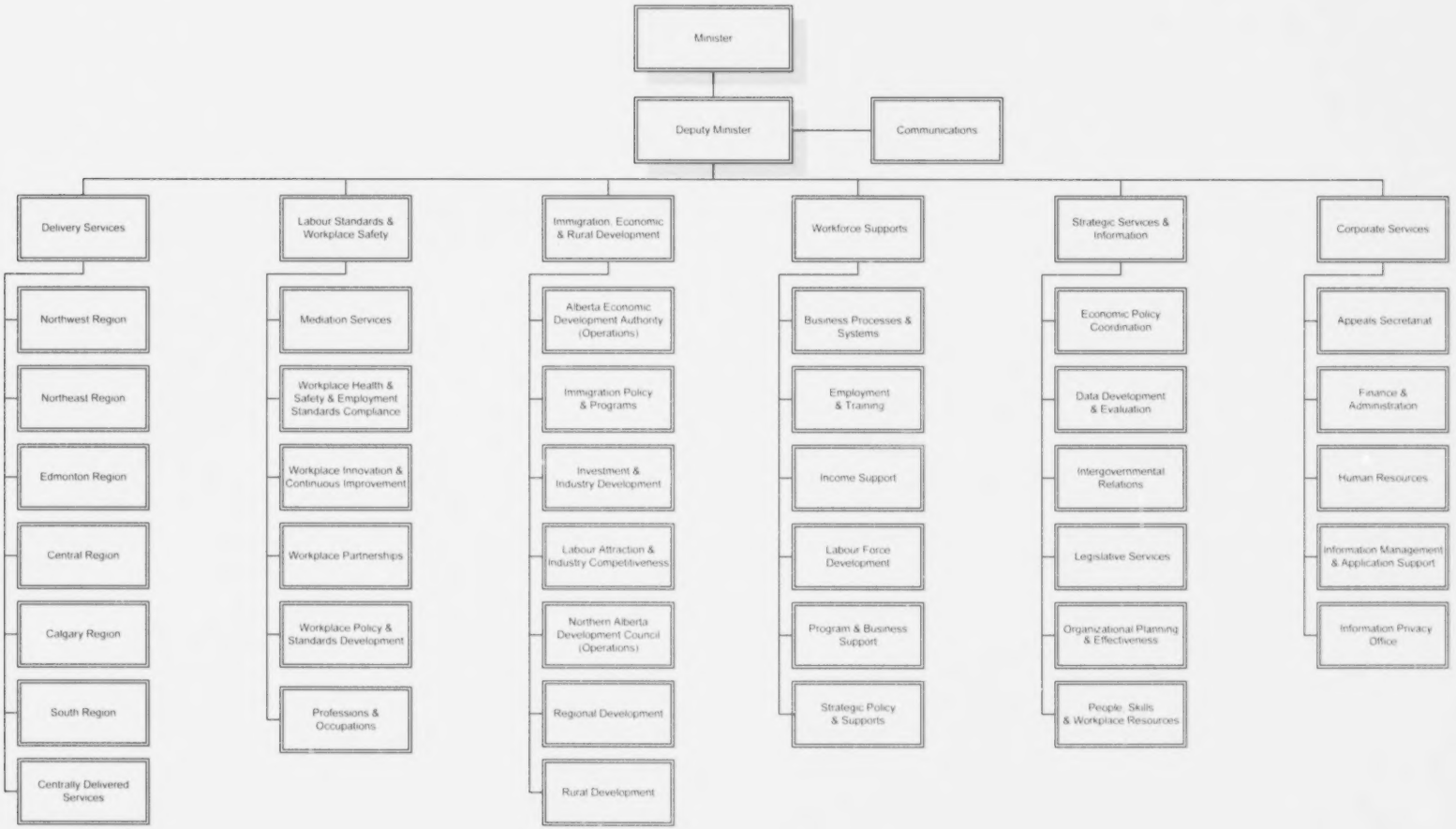
Since the following organizations prepare their own business plans and annual reports, their organizational charts are not included:

- Rural Alberta's Development Fund
- Workers' Compensation Board – Alberta

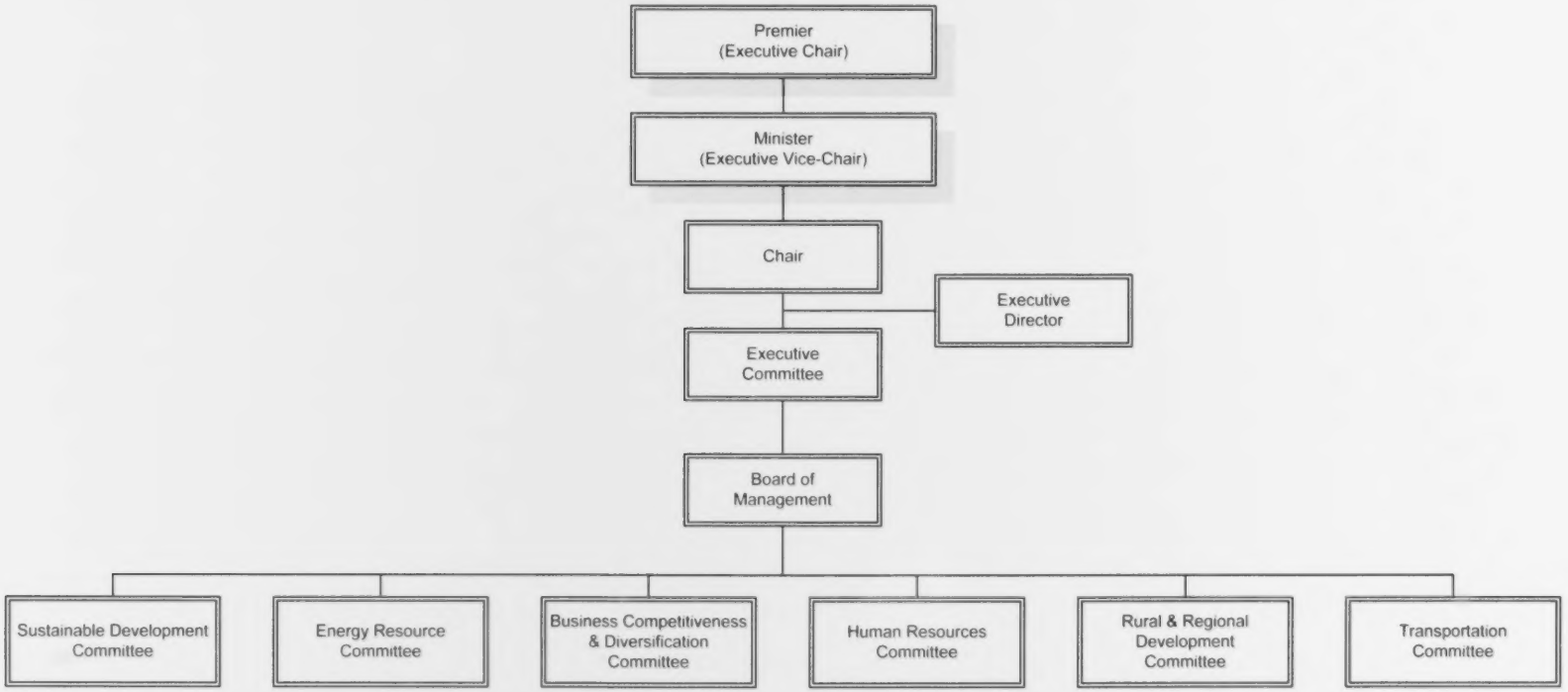
Ministry of Employment, Immigration and Industry


Minister
Workers' Compensation Board
Rural Alberta's Development Fund
Workers' Compensation Medical Panels
Appeals Commission for Alberta Workers' Compensation
Department of Employment, Immigration and Industry
Alberta Labour Relations Board
Occupational Health and Safety Council
Northern Alberta Development Council
Alberta Economic Development Authority

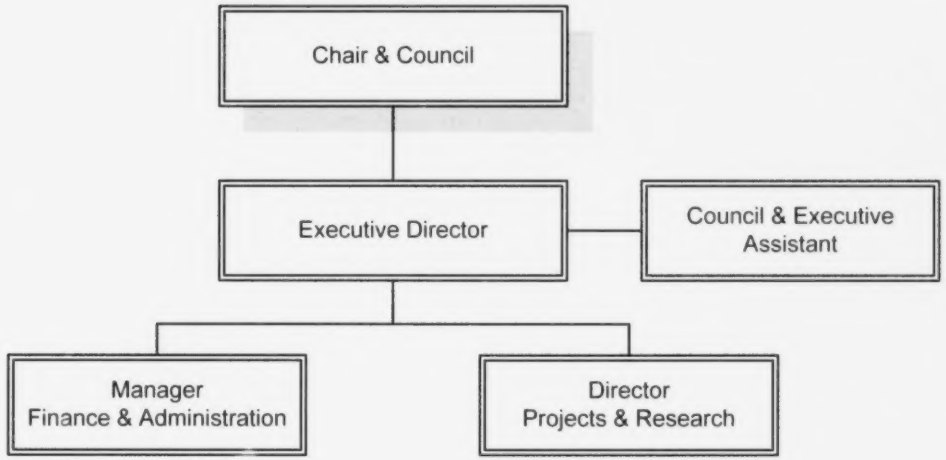
Department of Employment, Immigration and Industry



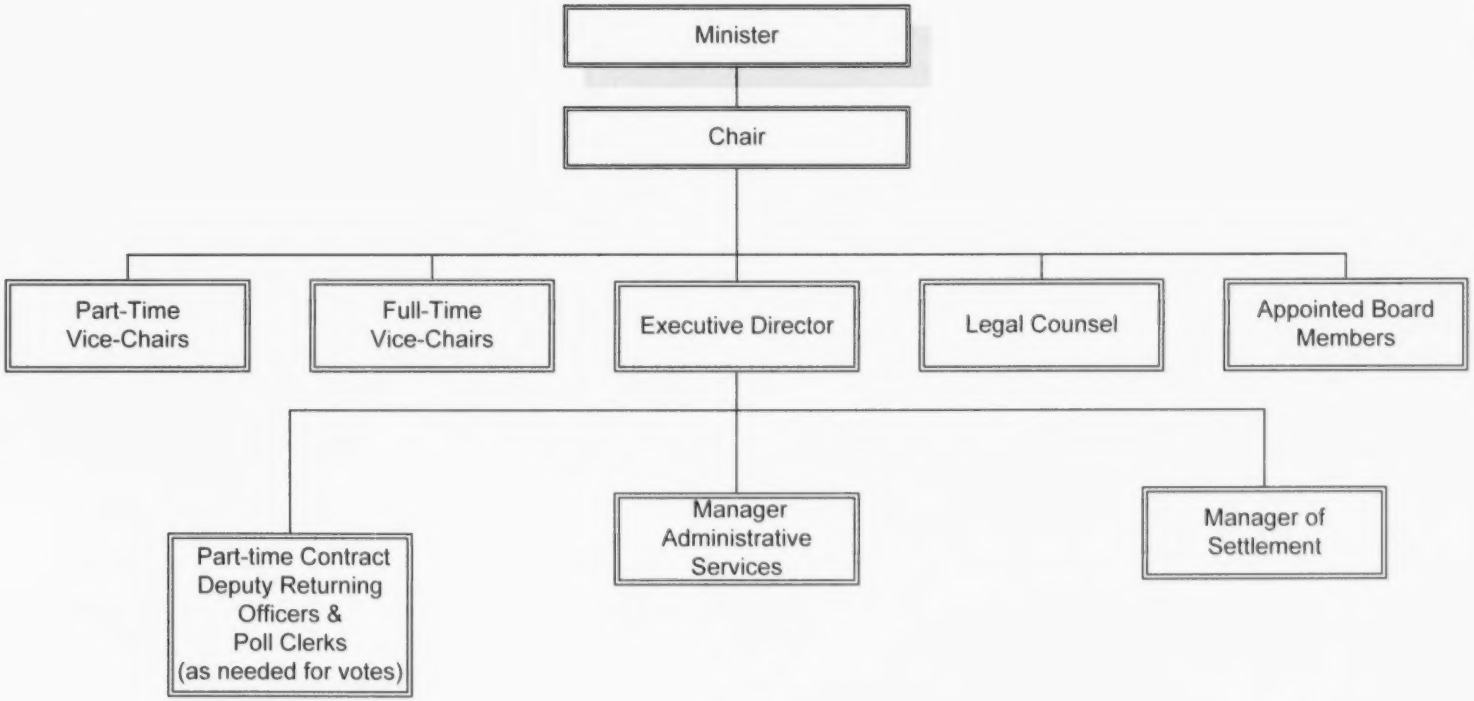
Alberta Economic Development Authority



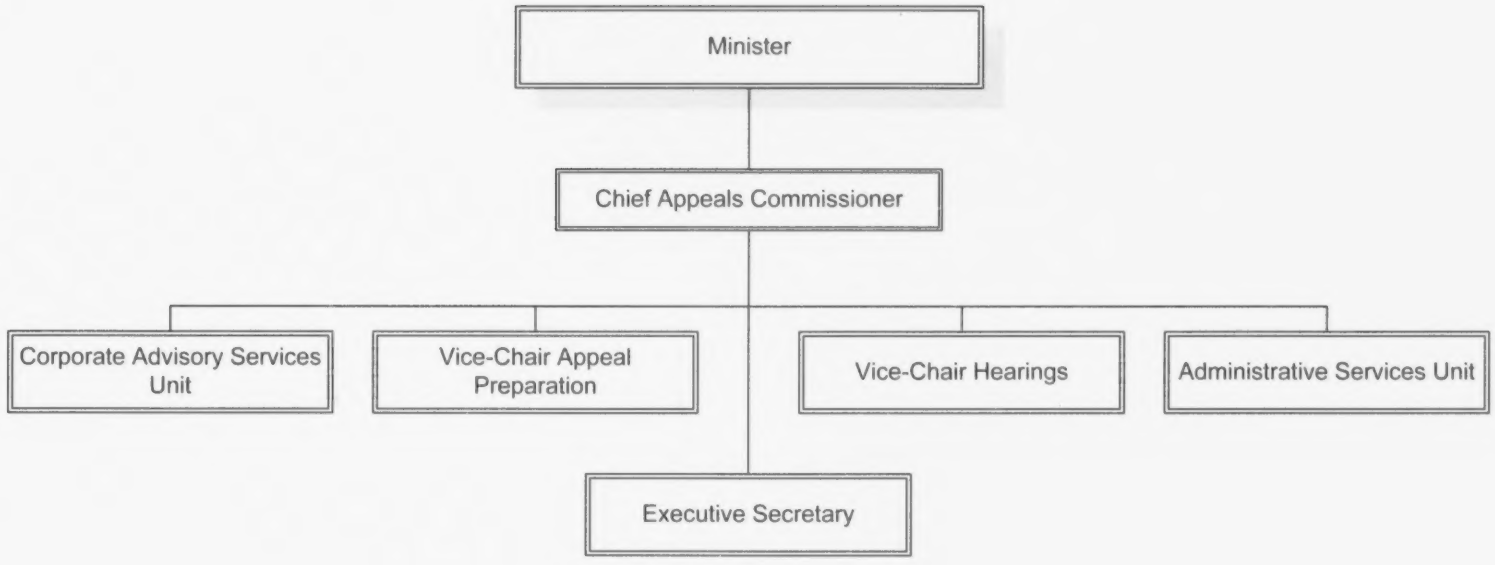
Northern Alberta Development Council



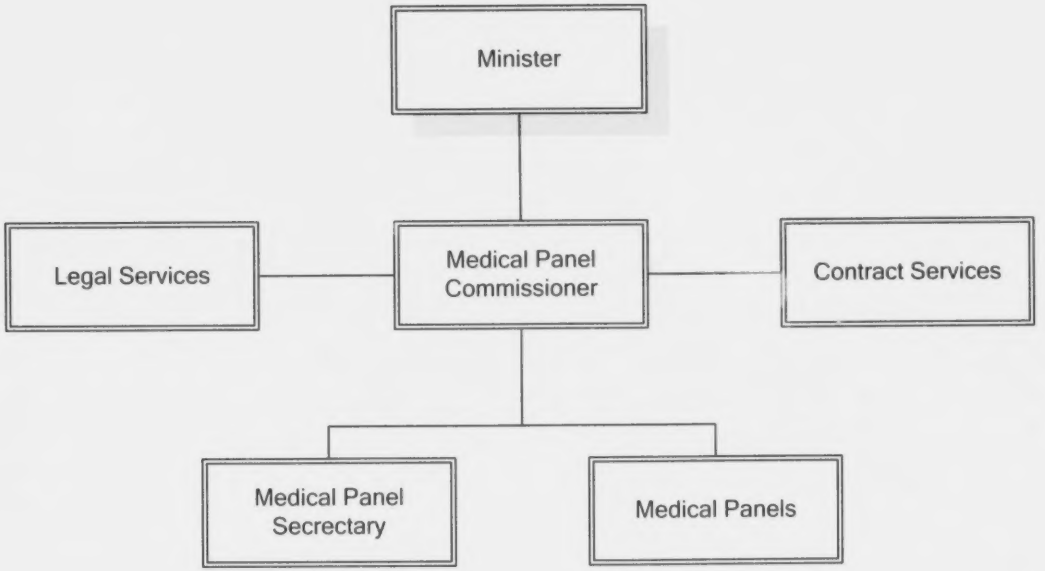
Alberta Labour Relations Board



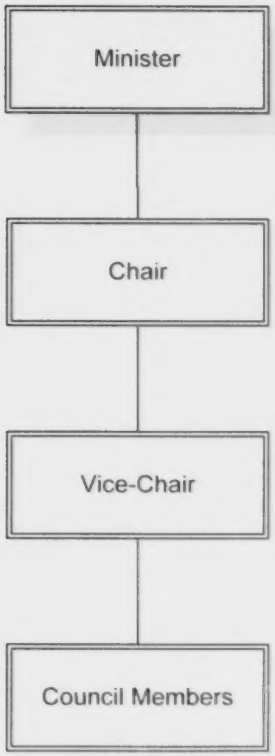
Appeals Commission for Alberta Workers' Compensation



Workers' Compensation Medical Panels



Occupational Health and Safety Council



Operational Overview

Employment, Immigration and Industry's Annual Report consists of the following:

- Department of Employment, Immigration and Industry
- Alberta Economic Development Authority
- Northern Alberta Development Council
- Alberta Labour Relations Board
- Appeals Commission for Alberta Workers' Compensation
- Workers' Compensation Medical Panels
- Occupational Health and Safety Council

Financial information for the Workers' Compensation Board – Alberta (WCB) is included in this report. The Rural Alberta's Development Fund Annual Report and additional WCB information are provided annually to the Minister in separate reports.

This section includes the Ministry's vision, mission and core businesses; an overview of Ministry programs; and an overview of divisional functions within the Department of Employment, Immigration and Industry.

Ministry of Employment, Immigration and Industry

Vision, Mission and Core Businesses

VISION

Alberta is the best place in the world to live, work and do business.

MISSION

To build Alberta's economy and workforce to ensure a vibrant and prosperous province for all Albertans.

CORE BUSINESSES

Core Business 1: Employment

Employment, Immigration and Industry helps individual Albertans and families realize their potential and ability to share in the social, economic and cultural fabric of the province.

Goal 1: All Albertans share in and contribute to the economic prosperity of Alberta

Core Business 2: Immigration

Employment, Immigration and Industry attracts and welcomes newcomers into Alberta to primarily offset our labour and skills shortages. Alberta's newcomers – both from other provinces and from other countries – will add to the diversity of our population as they are welcomed and settled into our communities.

Goal 2: Alberta is able to attract workers to the province

Core Business 3: Industry

Employment, Immigration and Industry works with industry and communities to enhance sustainable economic development, competitiveness, innovation and productivity, and to promote fair, safe and healthy workplaces.

Goal 3: Alberta has a competitive and sustainable economy

Goal 4: Alberta has strong and vibrant regions and rural communities

Goal 5: Alberta has a fair, safe and healthy work environment

Alberta Labour Relations Board (ALRB)

Goal 6: Alberta has a fair, equitable and stable labour relations environment

Appeals Commission for Alberta Workers' Compensation

Goal 7: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

Ministry of Employment, Immigration and Industry

Overview of Programs

Core Business One: Employment

The Department of Employment, Immigration and Industry helps individual Albertans and families realize their potential and ability to share in the social, economic and cultural fabric of the province through Career and Employment and Supports for Albertans Programs.

Career and Employment Programs

Through the following programs and services, the Department helps Albertans get the skills and training they need to find and keep work:

Career Development Services provides Albertans with access to career, workplace and labour market information to help them: choose training or learning paths; find and keep employment; and plan or change careers. These services are delivered through a number of channels, including the Alberta Learning Information Services (ALIS) website, Careers in Motion mobile career centre, Job Placement Services, Labour Market Information Centres, Career Information Hotline, Job Order Bank Services (JOBS) and Youth Connections.

Training for Work provides full- and part-time occupational training opportunities to enable clients to get a job, substantially improve their employment situation or adapt to changing conditions in order to sustain employment. Programs target various groups, such as immigrants, youth, persons with disabilities and Aboriginal Peoples.

Work Foundations provides full- and part-time Basic Skills Training and Academic Upgrading for Albertans to pursue further job related training and/or to find a job and substantially improve their financial situations. Work Foundations' Basic Skills Training program includes English as an Additional Language, basic literacy and numeracy, adult basic education and life skills/personal management. Academic Upgrading is a grade 10 to 12, classroom-based training program that helps clients develop the academic competencies needed to get a job or to pursue further employment-related training.

Disability Related Employment Supports provides assistance to Albertans in overcoming the barriers to employment created by their disability. Supports are offered in four areas: workplace, job search, education and assistive technology.

The Summer Temporary Employment Program (STEP) helps Albertans benefit from temporary employment during the spring and summer months. Qualified community-based or not-for-profit organizations can apply for STEP funding to provide career-focused, full-time work experience placement for Alberta post-secondary students, high school students and recent graduates.

Supports for Albertans Programs

The Department provides the following programs and services to help Albertans with lower incomes meet their basic needs and move into the workforce:

Income Support provides financial benefits to individuals and families who do not have the resources to meet their basic needs, such as food, clothing and shelter. The level of assistance varies depending on each individual's situation including financial resources, ability to work and the number of children in the family. People who are eligible for Income Support also receive health benefits for themselves and their dependants, information and training to find a job and help to obtain child support payments. People in three general situations may qualify for Income Support:

- People who have difficulty working because of a chronic mental or physical health problem or because of multiple barriers to employment (Not Expected to Work);
- People who are looking for work, working or unable to work in the short-term (Expected to Work); and
- People who need upgrading or training so they can get a job (Learners).

The Alberta Child Health Benefit provides premium-free coverage for health benefits (dental care, optical, prescription drugs, emergency ambulance and essential diabetic supplies) to families with lower incomes for children up to age 18, and 18 to 19 year olds who live at home and are attending school up to grade 12.

The Alberta Adult Health Benefit provides premium-free coverage for health benefits (dental care, optical, prescription drugs, essential diabetic supplies, emergency ambulance services and enrollment in the Alberta Health Care Insurance premium-free group) to former Income Support clients who leave the program for employment or because they are no longer eligible for Income Support due to Canada Pension Plan – Disability income.

Child Support Services (CSS) assists single parents and parents of blended families obtain child support agreements or court orders. CSS also registers the agreements or orders for enforcement, collection and disbursement with the Maintenance Enforcement Program of Alberta Justice. The additional income that child support provides makes it easier for these parents to stay in the workforce. Those receiving Income Support and the Alberta Adult Health Benefit are automatically eligible for help through CSS. Help with child support is also available to other eligible Albertans with lower incomes.

Core Business Two: Immigration

The Department of Employment, Immigration and Industry attracts and welcomes newcomers into Alberta to primarily offset labour and skills shortages. Alberta's newcomers – both from other provinces and from other countries – will add to the diversity of our population as they are welcomed and settled into our communities. The core business of Immigration encompasses international immigration of permanent residents, temporary foreign workers, foreign students and inter-provincial migration to Alberta. Services to these groups are provided through the Department's Immigration Programs.

Immigration Programs

The Department provides information about the immigration process for Canada and Alberta, as well as the following programs and services designed to help new Albertans before and after they arrive in the province:

Immigrant Settlement Services provide settlement and language assessment services to immigrants through grant-funded agencies in eight Alberta communities. Immigrant Settlement Services develop innovative approaches to meet the English as an Additional Language (EAL) needs of immigrants and support their integration into Alberta society.

The International Qualifications Assessment Service (IQAS) compares educational qualifications from other countries to provincial educational standards and issues certificates of comparison, which facilitate the entry of immigrants into employment, professional licensing or further education.

The Provincial Nominee Program (PNP) is an employer-driven immigration program, operated by the Government of Alberta in conjunction with Citizenship and Immigration Canada to expedite applications for permanent Canadian residency. The Alberta PNP is designed to meet the needs of Alberta employers who are unable to fill skilled and select semi-skilled positions with Canadian Citizens or Permanent Residents of Canada.

Economic Immigration Marketing consists of market research, tools and initiatives to facilitate attraction of immigrants and temporary foreign workers to Alberta. Based on detailed market research, this program targets specific occupations and geographic locations. The Alberta government works with Alberta industry and foreign market partners to identify emerging opportunities and develop and implement initiatives to attract temporary foreign workers, permanent residents, seasonal workers and inter-company transferees.

English as an Additional Language (EAL) tuition is provided to private and public institutions to deliver classroom training to adults acquiring English as an additional language. The EAL living allowance provides monthly benefits to eligible adults who participate in employment and training programs. The benefit rates and eligibility criteria are the same as those available under Income Support for Learners.

Bridging programs help immigrants with prior work experience or education to bridge the gaps in knowledge or skills needed to gain entry to their occupation or a related field in Alberta. The focus is primarily on skill training, delivered through training provider contracts; although programs may also include a language training component and work experience.

Core Business Three: Industry

The Ministry, including both the Department and its entities, works with industry and communities to enhance sustainable economic development, competitiveness, innovation and productivity, and to promote fair, safe and healthy workplaces.

DEPARTMENT OF EMPLOYMENT, IMMIGRATION AND INDUSTRY

The Department supports Core Business Three (Industry) through its Business, Industry and Investment; Rural and Regional Development; and Fair, Safe and Healthy Workplaces Programs:

Business, Industry and Investment Programs

The Department acts as a catalyst for increased capacity, competency, and competitiveness of Alberta industries by being an advocate for investment attraction, business development, diversification, innovation and partnerships.

Investment Attraction, Industry Development, Labour Attraction and Industry Competitiveness programs promote new investment, increased competitiveness, diversification and leading-edge innovation within key Alberta manufacturing and service sectors. Sector development focuses on opportunities for growth and resolves issues within the sector that fall within the economic development mandate, including industry competitiveness, investment attraction, trade and export development, and policy. Programs in this area of the Department connect with industry and businesses to help them identify new value-maximization opportunities (*Securing Tomorrow's Prosperity* strategy), improve their competitiveness, and introduce innovative technologies and processes to increase productivity (e.g., strategic manufacturing, the Lean Manufacturing Program) and reduce critical labour pressures.

Workforce Partnerships are designed to assist working Albertans to improve their skills so they can contribute to Alberta's economic growth and meet the demand for skilled workers. The partnerships are also intended to identify, develop and implement labour force adjustments and human resource development strategies through industry and community partnerships.

Rural and Regional Development Programs and Initiatives

Managing and sustaining the province's growth and development is a major priority of the Alberta government. Currently, Alberta employs a number of economic and infrastructure development strategies designed for rural communities, communities in various economic indicator regions across the province and industry sectors such as manufacturing. Alberta's development strategies have been created with sustainable growth in mind to ensure continued prosperity. The Department provides the following programs to support Alberta's development strategies:

Rural Development supports the implementation of *Alberta's Rural Development Strategy* and provides support and leadership to rural projects and research in partnership with communities and rural organizations.

Regional Development initiatives encourage economic growth in all regions of the province and support development and operations of the Regional Economic Development Alliances. The Department also provides information and services to small businesses throughout Alberta through The Business Link, a not-for-profit organization supported by the Government of Alberta and the Government of Canada. It provides business people in every part of Alberta with access to accurate, timely and relevant information and referrals, and reduces the complexity of dealing with various levels of government by serving as a central resource for business information.

Fair, Safe and Healthy Workplaces Programs

The Department works with government, industry and labour stakeholders to develop joint strategies and provides the following programs and services to ensure Alberta has fair, safe and healthy workplaces:

Mediation Services are available to unions, employers who have a bargaining relationship with a union or employee association, and the arbitration community. Mediation Services seek to promote positive labour and management relations throughout Alberta by assisting the parties to resolve disputes in collective bargaining negotiations. Mediation is required by Alberta legislation before the parties are legally permitted to strike or lockout. Mediation Services also provide the appointment of grievance arbitrators when employees and employers disagree over interpretation of the collective agreement, or when one party believes the other has violated the terms of the agreement.

Labour Relations and Workplace Effectiveness helps employers, employees and unions work together better by offering workshops and facilitation services to help them address workplace issues, build stronger workplace relationships, and create and enhance safe and sustainable workplaces. The purpose of the program is to provide advice, facilitation and education to employers, employees and unions in Alberta.

The **Professions and Occupations** program works in partnership with Professional Regulatory Organizations, associated stakeholders and other government departments to develop and implement standards to regulate non-health related professions in the public interest. It also assists Professional Regulatory Organizations in implementing the Alberta government's labour mobility requirements and works with other government departments to address issues associated with labour mobility to enhance the movement of qualified workers throughout Canada.

The **Work Safe Alberta** initiative promotes a culture of health and safety and injury prevention in Alberta workplaces. The Workplace Health and Safety program promotes productive standards of practice and provides employers and employees with useful information about how to work safely. It conducts inspections of Alberta worksites to ensure compliance with the *Occupational Health and Safety Act*, *Regulation* and *Code*, responds to complaints and investigates worksite incidents and fatalities.

Partnerships in Health and Safety is based on the premise that when employers and workers voluntarily build effective health and safety programs in their own workplaces, the human and financial costs of workplace injuries and illnesses will be reduced. It is a province-wide injury prevention program that promotes workplace health and safety through voluntary partnerships with industry groups, safety associations, education institutions, labour organizations and

employers. A Certificate of Recognition (COR) is provided to employers who have developed health and safety programs that have met established standards. Achieving and maintaining a valid COR is required to earn a financial incentive through the Workers' Compensation Board's Partners in Injury Reduction program.

The **Employment Standards** program and associated services provide information and education to employers and employees on minimum standards of employment. Department staff conduct educational activities and work with industry partners to promote voluntary compliance with employment standards, in addition to investigating and resolving complaints for employees who cannot resolve their differences with their employers.

Each of the Ministry's entities also contributes to the achievements of the Industry Core Business:

ALBERTA ECONOMIC DEVELOPMENT AUTHORITY

The **Alberta Economic Development Authority (AEDA)** is a partnership that provides businesses with a direct working link to the Alberta government. A network of business and industry sectors made up of private sector volunteers work with government to attract investment, promote Alberta opportunities and help generate more wealth and employment for Alberta. AEDA provides a voice for large and small business and strives to ensure industry needs are addressed when policy is developed. It provides advice on business and economic development issues to help shape policies and strategies to benefit the economy to increase Alberta's ability to create new opportunities at home and abroad. This 'unique in Canada' partnership between public and private sectors enhances Alberta's ability to grow and prosper in all economic areas. Working together to sort out ideas and opportunities strengthens the relationship between government and business, resulting in better understanding and closer ties.

NORTHERN ALBERTA DEVELOPMENT COUNCIL

The **Northern Alberta Development Council (NADC)** is a regional development council that focuses on advancing the development of the northern economy. The mission of NADC is to identify and implement measures that will advance northern development, as well as advise government on opportunities and issues. NADC is involved with projects and initiatives in transportation, value-maximization agriculture, tourism, inter-jurisdictional projects and educational initiatives, including bursaries aimed at attracting professionals to the North.

ALBERTA LABOUR RELATIONS BOARD

The **Alberta Labour Relations Board (ALRB)** is a quasi-judicial body responsible for the application and interpretation of Alberta's labour relations laws. Both the Minister and the Deputy Minister maintain an arms-length relationship with ALRB.

APPEALS COMMISSION FOR ALBERTA WORKERS' COMPENSATION

The **Appeals Commission for Alberta Workers' Compensation (Appeals Commission)** is a quasi-judicial body that is the final level of appeal for decisions of the Workers' Compensation Board. It operates at arms-length from the Workers' Compensation Board and the government.

WORKERS' COMPENSATION MEDICAL PANELS

Workers' Compensation Medical Panels provide the Workers' Compensation Board – Alberta and the Appeals Commission for Alberta Workers' Compensation with an impartial and independent decision-making process to resolve medical issues relating to Workers' Compensation claims. Each panel is made up of three physicians with specialized knowledge of the medical area in dispute.

OCCUPATIONAL HEALTH AND SAFETY COUNCIL

The mandate of the **Occupational Health and Safety Council** is to advise the Minister of Employment, Immigration and Industry on matters concerning the *Occupational Health and Safety Act* and on matters related to the health and safety of Alberta workers. In addition, the Council is empowered to hear appeals of orders issued by Occupational Health and Safety Officers, maintain the *Occupational Health and Safety Code*, and perform related duties and functions that may be assigned by the Minister.

Department of Employment, Immigration and Industry

Overview of Divisional Functions

The **Department of Employment, Immigration and Industry** consists of six divisions:

- Delivery Services
- Labour Standards and Workplace Safety
- Immigration, Economic and Rural Development
- Workforce Supports
- Strategic Services and Information
- Corporate Services

Each division is supported by Employment, Immigration and Industry (EII) Communications. All divisions have key activities relative to EII's core businesses and provide support to projects across multiple ministries.

Delivery Services Division

Delivery Services is composed of staff in 59 Service Access Sites and 16 Job Corps across the province and Centrally Delivered Services' Contact Centres. This division is the primary contact point for Albertans in accessing most of EII's programs, services and information. Delivery Services helps:

- Albertans find and maintain jobs;
- Employers meet their needs for skilled workers; and
- Albertans with lower incomes by providing financial and health benefits and child support services.

Labour Standards and Workplace Safety Division

Labour Standards and Workplace Safety has policy and delivery staff working across the province in 14 Service Access Sites developing and implementing legislation, policy and programs so Alberta has a fair, safe and healthy work environment. This involves legislation, policy and programs and services in:

- Employment Standards;
- Labour Relations and Mediation;
- Workplace Health and Safety; and
- Professions and Occupations.

Immigration, Economic and Rural Development Division

Immigration, Economic and Rural Development has staff working in various parts of the province and has 13 Service Access Sites. The division:

- Advocates and is a catalyst for new investment, increased competitiveness, value-maximization industry development and diversity and productivity within Alberta's key manufacturing and service sectors;
- Provides Alberta's regions and communities with information and support to achieve rural and regional economic viability and prosperity;
- Provides settlement and integration services for immigrants;
- Administers the Provincial Nominee Program;
- Markets Alberta as a destination of choice for newcomers; and
- Supports the Alberta Economic Development Authority, Northern Alberta Development Council and Rural Alberta's Development Fund.

Workforce Supports Division

Workforce Supports creates innovative and effective policies to help:

- Albertans with lower incomes meet their basic needs;
- Industry develop a skilled and productive workforce that meets the changing needs of the growing economy; and
- Support advancing and addressing women's issues.

The division is responsible for policy and program development related to employment and training services, health benefits, child support services and income support for Albertans with lower incomes and ensures Albertans have the skills, supports and information they need to succeed in the labour market.

Strategic Services and Information Division

Strategic Services and Information provides strategic advice, information and planning to support policy development and evidence-based decision making. The division is responsible for:

- Intergovernmental relations;
- Legislative services;
- Business planning and reporting, and associated strategic accountability activities;
- Economic policy co-ordination;
- Developing EII's information resources and managing the Alberta Learning Information Service website; and
- Supporting the data and evaluation needs of EII and establishing the new Office of Statistics and Information.

Corporate Services Division

Corporate Services supports all business areas in the Ministry through:

- Developing budgets and forecasts and conducting financial analysis;
- Providing strategic, tactical and operational human resource services;
- Leading development and management of all information technology assets;
- Providing guidance over our clients' appeal process; and
- Managing information by balancing transparency and privacy.

Communications

Communications supports government, and the Ministry of EII with:

- Issues management;
- Promotion of department programs and initiatives through communications planning;
- Media relations and advertising;
- Effective public information materials; and
- Advice and support on writing, communications planning, and the government visual identity program.

Ministry Organization Changes 2006-07

This section includes an overview of the changes that resulted in the creation of the Ministry of Employment, Immigration and Industry, due to Government of Alberta organizational changes. Also included is a cross-reference table that links published 2006-2009 Business Plan Core Businesses and Goals to the Core Businesses and Goals reported in this Annual Report. The table also links the Annual Report Core Businesses and Goals with corresponding Financial Information.

Overview of Ministry Organization Changes 2006-07

The Ministry of Employment, Immigration and Industry was formed on December 13, 2006. It was created by combining portions of the former ministries of:

- Aboriginal Affairs and Northern Development
- Advanced Education
- Agriculture Food and Rural Development
- Community Development
- Economic Development
- Human Resources and Employment

The programs provided by the former ministries and associated entities are as follows:

Aboriginal Affairs and Northern Development:

- *Northern Alberta Development Council*

Advanced Education:

- *International Qualifications Assessment Services*

Agriculture, Food and Rural Development:

- *Rural Development*

Community Development:

- *Women's Issues*

Economic Development:

- *Strategic Economic Leadership, Business Information and Intelligence*
- *Industry and Regional Development and Investment*
- *Regional Economic Development Alliances*
- *Alberta Economic Development Authority*

Human Resources and Employment:

- *Career Information*
- *Training for Work*
- *Work Foundations*
- *Supports for Albertans (e.g., Income Support, Health Benefits, Child Support Services)*
- *Workplace Health and Safety*
- *Employment Standards*
- *Workplace Partnerships*
- *Professions and Occupations*
- *Labour Relations*
- *Alberta Labour Relations Board*
- *Appeals Commission for Alberta Workers' Compensation*
- *Workers' Compensation Medical Panels (transferred from the Workers' Compensation Board – Alberta as of January 1, 2007)*
- *Occupational Health and Safety Council*
- *Workers' Compensation Board – Alberta*

2006-2009 Business Plan Cross-Reference Table

The following table cross-references the Employment, Immigration and Industry Core Businesses and Goals included in this Annual Report with corresponding Financial Information (see Financial Analysis and Discussion - page 104) and the various published 2006-2009 Business Plans.

EII 2006-07 Annual Report Core Businesses, Goals and Financial Linkages	Published 2006-2009 Ministry Business Plans, Core Businesses and Goals
Core Business 1: Employment Goal 1: All Albertans share in and contribute to the economic prosperity of Alberta **Financial information includes expenses listed under:** • People and Skills Investments • Ministry Support Services	**HUMAN RESOURCES AND EMPLOYMENT** *Core Business 1: Skills Investments* Goal 1: Alberta has a productive labour force that meets the needs of the economy today and in the future* Goal 2: Albertans have the skills, supports and information they need to succeed in the labour market *Core Business 2: People Investments* Goal 4: Albertans have opportunities to improve their financial situation and attachment to the labour force **COMMUNITY DEVELOPMENT** *Core Business 3: Protect human rights, promote fairness and access, and support the inclusion of all Albertans* Goal 4: Albertans participate in the social, economic and cultural life of the province without discrimination*
Core Business 2: Immigration Goal 2: Alberta is able to attract workers to the province **Financial information includes expenses listed under:** • People and Skills Investments • Industry, Regional and Rural Development • Ministry Support Services	**HUMAN RESOURCES AND EMPLOYMENT** *Core Business 1: Skills Investments* Goal 1: Alberta has a productive labour force that meets the needs of the economy today and in the future* **ECONOMIC DEVELOPMENT** *Core Business 2: Increase Industry and Regional Development, Trade Promotion and Investment Attraction* Goal 5: Increased investment in Alberta* **ADVANCED EDUCATION** *Core Business 1: Support the Advanced Learning System to Provide High Quality Learning Opportunities* Goal 1: Quality Advanced Learning Opportunities*
Core Business 3: Industry Goal 3: Alberta has a competitive and sustainable economy **Financial information includes expenses listed under:** • People and Skills Investments • Industry, Regional and Rural Development • Ministry Support Services	**HUMAN RESOURCES AND EMPLOYMENT** *Core Business 1: Skills Investments* Goal 1: Alberta has a productive labour force that meets the needs of the economy today and in the future* **ECONOMIC DEVELOPMENT** *Core Business 1: Provide Strategic Economic Leadership and Business Intelligence* Goal 1: Economic growth and diversification through collaborative strategic planning and policy development *(continued)*

* Only part of this published 2006-2009 Business Plan goal is included in the corresponding 2006-07 Annual Report goal.

EII 2006-07 Annual Report Core Businesses, Goals and Financial Linkages	Published 2006-2009 Ministry Business Plans, Core Businesses and Goals
	Goal 2: Informed industry decision-making in Alberta *Core Business 2: Increase Industry and Regional Development, Trade Promotion and Investment Attraction* Goal 3: Increased growth and competitiveness of Alberta's value-added sectors Goal 4: Increased exports of Alberta's goods and services* Goal 5: Increased investment in Alberta*
Core Business 3: Industry Goal 4: Alberta has strong and vibrant regions and rural communities **Financial information includes expenses listed under:** • Industry, Regional and Rural Development • Ministry Support Services	**ECONOMIC DEVELOPMENT** *Core Business 2: Increase Industry and Regional Development, Trade Promotion and Investment Attraction* Goal 5: Increased investment in Alberta* Goal 6: Regional economic development support to Alberta communities **ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT** *Core Business 2: Northern Development* Goal 3: Advance the development of Northern Alberta **AGRICULTURE, FOOD AND RURAL DEVELOPMENT** *Core Business 2: Enhance Rural Sustainability* Goal 4: Strengthened rural communities*
Core Business 3: Industry Goal 5: Alberta has a fair, safe and healthy work environment **Financial information includes expenses listed under:** • Workplace Investments • Ministry Support Services	**HUMAN RESOURCES AND EMPLOYMENT** *Core Business 2: Workplace Investments* Goal 3: Alberta has a fair, safe and healthy work environment
Core Business 3: Industry Goal 6: Alberta has a fair, equitable and stable labour relations environment **Financial information includes expenses listed under:** • Labour Relations and Adjudication • Ministry Support Services	**HUMAN RESOURCES AND EMPLOYMENT** *Core Business 5: Labour Relations – Adjudication/Investigation/Mediation* Goal 7: Alberta has a fair, equitable and stable labour relations environment
Core Business 3: Industry Goal 7: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions **Financial information includes expenses listed under:** • Workers' Compensation Appeals • Ministry Support Services	**HUMAN RESOURCES AND EMPLOYMENT** *Core Business 6: Appeal Service from Workers' Compensation Decisions* Goal 8: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

* Only part of this published 2006-2009 Business Plan goal is included in the corresponding 2006-07 Annual Report goal

Highlights of Key Accomplishments

This section includes a summary of Employment, Immigration and Industry's key accomplishments in the past year, including contributions to the Government of Alberta Top Priorities, program initiatives, legislative and policy changes, consultative processes and improvements in operating efficiency.

Employment, Immigration and Industry

Highlights of Key Accomplishments

In 2006-07, EII actively supported and contributed to the successful implementation of four of the eight Government of Alberta Top Priorities:

- Building and Educating Tomorrow's Workforce (EII is a Co-Champion);
- Building Aboriginal Self-Sufficiency;
- Improving Alberta's Health System; and
- Saving Lives and Reducing Injury on Alberta Highways.

A few examples of key achievements resulting from the implementation of strategies supporting these priorities include:

- Launched the *Building and Educating Tomorrow's Workforce* strategy in partnership with Alberta Advanced Education and Technology to ensure current and future labour force needs are met.
- Continued to provide First Nations and Aboriginal Training to Employment programs; and implemented First Nations Labour Force Planning Initiatives to increase human resource capacity in Aboriginal communities.
- Developed a new category under the Alberta Adult Health Benefit program for pregnant women with lower incomes, which will be implemented in 2007-08.
- Developed a joint industry/labour/government implementation plan to reduce the rate of work-related injuries that involve motor vehicles.

In addition, the following are some of EII's key activities in 2006-07 related to program initiatives, legislative and policy changes, consultative processes and improvements in operating efficiency.

GOAL 1 Linked to Core Business 1 – Employment

All Albertans share in and contribute to the economic prosperity of Alberta.

Alberta's 10-year labour force strategy, *Building and Educating Tomorrow's Workforce*, outlines actions to ensure Alberta has an educated and trained workforce. The strategy is built around four themes: *Inform*, *Attract*, *Develop* and *Retain*.

To allow staff to spend more time directly supporting Albertans, EII simplified and streamlined a number of service delivery processes, policies and administrative procedures. Examples include:

- The Automated Reporting for Clients pilot project allowed Albertans receiving Income Support to report changes to their circumstances over the telephone 24 hours per day, 7 days per week.
- Delegation of authority was changed for a number of policy administration decisions to provide front-line staff with more autonomy to make decisions.
- The online Alberta Works Policy Manual was posted on the Ministry's website to provide convenient public access to all Alberta Works policies.

The Debit Card pilot project was provided to a sample of students and Income Support clients who do not have bank accounts. It was designed to get students out of long cheque lines and

save Income Support clients from delays and paying fees when they have cheques to cash. In fact, 100% of Income Support clients who participated found the cards to be more convenient than cheques.

Amendments to the *Income and Employment Supports Act* were prepared to permit the extension of Child Support Services to additional categories of clients receiving income support benefits (e.g., Employment Insurance Learners and apprentices) and to provide enhanced appeal procedures in response to the Roth/Fifield class-action lawsuit.

GOAL 2 Linked to Core Business 2 – Immigration

Alberta is able to attract workers to the province

EII expanded the Provincial Nominee Program (PNP) and nearly doubled the total annual number of provincial nomination certificates it forwarded to the federal government to 981 in 2006-07. PNP significantly reduced the processing time for permanent residence of skilled foreign workers. In addition, How to Hire a Foreign Worker seminars and the Alberta Foreign Worker Hotline were established to address the questions and needs of Alberta employers and economic immigrants (permanent residents selected for their skills and ability to contribute to Canada's economy). Market research and a series of international labour attraction initiatives were developed and implemented. To support Alberta's labour force needs, EII worked with Citizenship and Immigration Canada and Service Canada to reduce the processing time for Temporary Foreign Worker applications.

EII has also collaborated with professional and occupational associations to ensure governing legislation is sensitive to the needs of the parties involved. Amendments to the supporting regulations of the *Engineering, Geological and Geophysical Professions Act* were prepared. In addition, a proposed *Landscape Architects Regulation* and new supporting regulations to the *Agrology Profession Act* were prepared.

Goal 3 Linked to Core Business 3 – Industry

Alberta has a competitive and sustainable economy

The *Building and Educating Tomorrow's Workforce* Ministers' Symposium was held on September 19, 2006 to share best practices related to informing, attracting, developing and retaining Alberta's labour force. In addition, EII partnered with Alberta Education and Alberta Advanced Education and Technology on the development of *Connecting Learning and Work: Alberta's Career Development Strategy*. This strategy aims to expand the availability of career and employment services, as well as create an integrated and co-ordinated learning and career development system for all Albertans.

To increase investment in Alberta industry, the Ministry undertook investment missions to various geographic markets including India, the United Kingdom, Italy, Korea, China and the United States. These missions promoted integrated oilsands processing projects as well as opportunities to supply current and proposed capital projects with goods and services.

EII developed the *Lean Marketing Strategy* to promote the benefits of process improvement to companies across Alberta. EII also expanded the Lean Enterprise Assessment Program to reach

more than 30 Alberta organizations, with many of those companies reporting significant productivity improvements.

The *datalink* gateway prototype was created by the original partnering ministries of EII, Alberta Children's Services and Alberta Education. *datalink* is a gateway offering cross-ministry opportunities to share data, reporting and analysis tools and a wide range of statistical information. It will be launched in 2007-08.

Goal 4 Linked to Core Business 3 – Industry

Alberta has strong and vibrant regions and rural communities

EII hosted and supported a number of conferences, symposia and forums related to regional, rural and industry development, including:

- Challenge North 2006: Today's Promise, Tomorrow's Reality;
- the Pan Western Regional Economic Development Conference; and
- Rural Matters! Forging Healthy Canadian Communities.

EII also supported the operations of 12 existing Regional Economic Development Alliances and the development of an additional two.

Rural Alberta's Development Fund (RADF) was established in October 2006 to administer a $100 million project fund in support of community-focused initiatives contributing to the growth and prosperity of rural Alberta. Also, 17 of Alberta's post-secondary institutions have formed Alberta's Rural Development Network to encourage growth of rural communities through learning.

Goal 5 Linked to Core Business 3 – Industry

Alberta has a fair, safe and healthy work environment

The *Occupational Health and Safety Code 2006* was adopted on November 7, 2006. The new *Code* took effect February 1, 2007 and makes health and safety rules more current and relevant to Alberta work sites. To uphold the principle of impartial decision-making processes, the Workers' Compensation Medical Panels were transferred to EII as of January 1, 2007 from the Workers' Compensation Board – Alberta (WCB).

EII approached employers of unionized workplaces regarding instituting Workplace Relationship Agreements to reduce collective bargaining difficulties in Alberta's unionized workforce.

An Employment Standards awareness media campaign was launched to improve employers' and employees' awareness of Employment Standards. Also, EII introduced an Employment Standards Third Party Inquiry process, which allows a third party who believes an employer is not complying with Alberta's Employment Standards legislation to contact EII with details of his or her allegations. A third party is an individual who is not a current or former employee of the employer against whom he or she is making an allegation.

Goal 6 Linked to Core Business 3 – Industry

Alberta has a fair, equitable and stable labour relations environment

The Alberta Labour Relations Board's key activities are centered on its obligations to resolve issues arising from Alberta's labour relations legislation. The resolution of legal issues relating to the implementation of the *Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003* was one of the key events of the 2006-07 reporting period.

Goal 7 Linked to Core Business 3 – Industry

Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

The key activity of the Appeals Commission for Alberta Workers' Compensation (Appeals Commission) is hearing initial appeals, many with multiple issues of appeal. The Appeals Commission's activities also include applications for reconsideration, requests for extension to the one-year time limit, investigations under the Office of the Ombudsman, and inquiries from the Office of the Information and Privacy Commissioner. Changes in administrative processing and requirements, as well as enhancing the competencies of the Appeals Commission had a positive impact on the appeals process in 2006-07.

Results Analysis

Employment, Immigration and Industry

Results Analysis

- Message from the Deputy Minister
- Auditor General's Report on Performance Measures
- Integrated Results Analysis
- Detailed Program Results Analysis and Discussion
    - **Core Business 1: Employment**
        - Goal 1: All Albertans share in and contribute to the economic prosperity of Alberta
    - **Core Business 2: Immigration**
        - Goal 2: Alberta is able to attract workers to the province
    - **Core Business 3: Industry**
        - Goal 3: Alberta has a competitive and sustainable economy
        - Goal 4: Alberta has strong and vibrant regions and rural communities
        - Goal 5: Alberta has a fair, safe and healthy work environment
    - **Alberta Labour Relations Board (ALRB)**
        - Goal 6: Alberta has a fair, equitable and stable labour relations environment
    - **Appeals Commission for Alberta Workers' Compensation (Appeals Commission)**
        - Goal 7: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions
- **Future Challenges**

Message from the Deputy Minister

As the Deputy Minister of Employment, Immigration and Industry (EII), I am pleased to report that we met or exceeded a significant number of our performance measure targets in 2006-07. This was accomplished at the same time that parts of six former ministries were integrated into one ministry with a broad mandate. It is a testament to the hard work, commitment, and innovation of EII staff that the department was able to accomplish so much during a year of many changes.

Alberta's tremendous prosperity and economic growth comes with challenges. At the same time the province is experiencing labour shortages, there are Albertans who find it difficult to share in the province's economic success. EII staff helped Albertans, including those with barriers to employment, find and keep jobs. Our clients in skills training reported high levels of satisfaction with these programs and services.

EII made tremendous progress simplifying and streamlining service delivery processes and policies, part of the cross-government movement towards values-based decision making. This included numerous policy and procedural changes, which have improved the way we serve Albertans. An example is the decision to provide benefits on debit cards to Albertans who cannot get bank accounts. The decision to implement this project followed a pilot project, which showed that debit cards were faster and less expensive than conventional cheques and that participants in the pilot project overwhelmingly preferred the cards.

EII staff worked closely with business, industry, and other stakeholders throughout 2006-07. One area of note was the work we undertook on specific industry workforce strategies stemming from the Alberta government's labour strategy *Building and Educating Tomorrow's Workforce*. We also made tremendous progress on immigration, another key initiative in addressing labour force issues. Staff worked with the federal government to improve the Provincial Nominee and Temporary Foreign Workers programs, increase settlement services, and enhance the recruitment and retention of immigrants to Alberta.

Another area of importance for EII staff is working with our partners to diversify the economy, enhance international competitiveness, and attract investment to Alberta. The department continued to lead the government's *Securing Tomorrow's Prosperity* strategy to develop competitive, value-maximization goods and service industries. EII staff also continued the important work of ensuring Alberta has fair, safe, and healthy workplaces.

EII's accomplishments are the result of the hard work and dedication of staff, as well as the collaboration of our partners in the community and in business and industry. I look forward to continued achievements as we work together to manage growth pressures, improve Albertans' quality of life, and build a stronger Alberta.

Ulysses Currie
Deputy Minister
Employment, Immigration and Industry

AUDITOR GENERAL *Alberta*

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results of the Department of Employment, Immigration and Industry, the Alberta Labour Relations Boards and the Appeals Commission for Alberta Workers' Compensation included in the *Ministry of Employment, Immigration and Industry's 2006-07 Annual Report.* My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Completeness

1. Performance measures and targets matched those included in Budget 2006. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and Understandability

4. Actual results are presented consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of performance measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Edmonton, Alberta
August 16, 2007

Fred J. Dunn FCA
Auditor General

Integrated Results Analysis

This section of the Annual Report provides a snapshot of performance results and financial information as well as a brief narrative of the Ministry's achievements for each core business.

More detailed analysis and up to two years of historical results for each performance measure are contained in the Detailed Program Results Analysis and Discussion (pages 53-98). In addition, a summary of Employment, Immigration and Industry's performance measures methodologies for the results reported in this section and the Detailed Program Results Analysis and Discussion can be found in Appendix E – Performance Measures Sources and Methodologies (pages 202-215). Please see the Ministry Financial Information (pages 103-136) for all components of the Ministry financial statements and an in-depth discussion of financial information.

Integrated Results Analysis

Core Business 1: Employment

GOAL 1 Linked to Core Business 1 – Employment

All Albertans share in and contribute to the economic prosperity of Alberta

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
1.a	Percentage of clients reporting satisfaction with the program/service:				
	• Career Information				
	– Career Development Information Services	85%	✓	86%	1%
	– Career Development Workshops	85%	✓	92%	7%
	– ALIS (Alberta Learning Information Service) website	n/a*		n/a*	n/a*
	– Job Order Bank Services	85%	✓	85%	--
	– Materials and Resources	n/a**		n/a**	n/a**
	– Career Information Hotline	n/a**		n/a**	n/a**
	– Labour Market Information Centre Services	95%		94%	(1%)
	– Student Funding Contact Centre	85%	✓	90%	5%
	• Work Foundations	85%	✓	91%	6%
	• Training for Work	85%	✓	90%	5%
1.b	Percentage of participants employed post-intervention.	80%	✓	83%	3%
1.c	Percentage of participants who indicate their training helped prepare them for future employment.	85%		80%	(5%)
1.d	Percentage of Child Support Services clients for whom a support order or agreement is obtained.	80%		73%	(7%)
1.e	Percentage of Alberta Child Health Benefit (ACHB) parents who agree they are able to obtain health services they would not otherwise have been able to get for their children.	85%	✓	91%	6%
1.f	Satisfaction of individuals with program/service: Income Support.	85%		74%	(11%)
1.g	Percentage of participants employed after leaving Income Support.	70%		59%	(11%)
1.h	Inter-provincial rank of labour force participation.	#1	✓	#1	--

* Note: Data collected triennially; 2006-07 was not a scheduled year to administer the survey, therefore targets are not identified.
** Note: Data collected biennially; 2006-07 was not a scheduled year to administer the survey, therefore targets are not identified.

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	668,127	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	655,944	
	Variance	12,183	

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS ONE – EMPLOYMENT

A sustainable economy is a key contributor to having a high quality of life. Alberta continues to lead Canada in economic performance and has recently been referred to as the "economic engine" of the country. Employment, Immigration and Industry (EII) helps individual Albertans and families realize their potential and ability to share in the social, economic and cultural fabric of the province.

This core business supported the following goals in the Government of Alberta Business Plan:

- Goal 1 – Alberta will have a diversified and prosperous economy;
- Goal 2 – Albertans will be well prepared for lifelong learning and work;
- Goal 6 – Albertans will be self-reliant and independent and those unable to provide for their basic needs will receive help; and
- Goal 14 – Albertans will have a supportive and sustainable infrastructure that promotes growth and enhances quality of life.

Progress towards these goals was achieved through ongoing Ministry work and participation in Government of Alberta Top Priorities, specifically *Building and Educating Tomorrow's Workforce*, *Improving Alberta's Health System* and *Building Aboriginal Self-Sufficiency*.

Employment and training expenses were approximately $14 million less than budgeted due to lower than expected demand for upgrading, basic skills training, integrated training and occupational training programs. Additional under-expenditures of $7.6 million occurred as a result of a decrease in the overall income support caseload and lower than budgeted medical costs. Partially offsetting these amounts was $11 million related to costs associated with the Alberta Works Enterprise Solution project that is scheduled to replace existing student funding and income support legacy systems in the upcoming fiscal years, higher than budgeted manpower costs due to negotiated salary settlements and expenses for the replacement of computer equipment that no longer meets department standards or business needs.

In 2006-07, EII successfully implemented the strategies of its Employment core business. Through various programs and services, EII helped Albertans, including those with barriers to employment, get the skills they need to find and keep a job. The Ministry also helped employers meet their need for skilled workers. Alberta's 10-year labour force strategy, *Building and Educating Tomorrow's Workforce* (*BETW*), outlined actions to ensure Alberta has an educated and trained workforce.

In support of *BETW*, EII provided a broad range of career information, employment preparation, skills training and job placement services. Satisfaction rates for Career Information programs and services (ranged between 85% and 94%), Work Foundations (91%) and Training for Work (90%) as well as the result for 'participants employed post-intervention' (83%) demonstrate some of EII's success in helping Albertans through career and skill development programs and services. The result for 'participants who indicate their training helped prepare them for future employment' (80%) is less than the 85% target. The shortfall may reflect that some training prepares participants for further education and that participants may feel they would have obtained employment anyway due to the strong economy.

The result for 'Child Support Services (CSS) clients for whom a support order or agreement is obtained' decreased from 78% in 2005-06 to 73% in 2006-07. EII staff have been focusing on marketing and positioning the CSS program to a broader range of Albertans with lower incomes, and on reviewing current administrative practices in order to enhance services and meet the measure's target. EII continued to promote the Alberta Child Health Benefit program, for which 91% of parents accessing the program agreed they are able to obtain health services they would not otherwise have been able to get for their children.

The relatively low satisfaction with Income Support (74%) may reflect dissatisfaction with benefit levels, termination of benefits or the increasing cost of living in Alberta rather than with actual services received. The province's average inflation rate in 2006 was 3.9%, which was nearly double the national average of 2%, due in large part to increasing housing costs in Alberta. However, for those who were able to connect to employment, Alberta had the highest growth rate in Canada for wages (5.9% to an average hourly wage of $21.60) and the strongest real economic growth (6.8%) in 2006. In addition, Alberta led the nation in labour force participation (73.4%), and had strong growth in employment (86,240 new jobs). The booming economy created increased employment opportunities for people who might have otherwise become Income Support recipients. While this led to a reduction in the income support caseload, a greater percentage of those that were on the caseload had severe or multiple barriers to employment. This likely negatively impacted the result for 'participants employed after leaving Income Support (59%). Those who left the program without obtaining employment likely entered new partnerships or received support from other sources (e.g., Canada Pension Plan, Employment Insurance and disability-related income).

A prosperous economy brings many opportunities such as higher income and the potential for improved quality of life for all Albertans. EII staff worked to help all Albertans share in this prosperity and access existing and emerging opportunities in 2006-07.

Integrated Results Analysis

Core Business 2: Immigration

GOAL 2 Linked to Core Business 2 – Immigration

Alberta is able to attract workers to the province

PERFORMANCE MEASURES RESULTS*		Target	Met Target	Results	Variance
2.a	Number of provincial nominations forwarded to the federal government.	500	✓	981	481

* Note: The performance measures suite was significantly revised and enhanced, where appropriate for the 2007-2010 Business Plan to better demonstrate progress towards achievement of EII's business plan goals. Immigration is an emerging area where enhancements were made to the performance measures. Please see Future Changes to Performance Measures (pages 51-52) for a full summary of changes to the performance measures suite.

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	54,346	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	58,080	
	Variance	(3,734)	

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS TWO – IMMIGRATION

EII attracts and welcomes newcomers into Alberta to primarily offset our labour and skills shortages. Alberta's newcomers – both from other provinces and other countries – will add to the diversity of our population as they are welcomed and settled into our communities. Immigration programs and services from the former Ministries of Alberta Economic Development, Alberta Human Resources and Employment and Alberta Advanced Education have been aligned under this core business and goal to provide more integrated service to employers and Alberta's newcomers.

This core business supported the following goals in the Government of Alberta Business Plan:

- Goal 1 – Alberta will have a diversified and prosperous economy;
- Goal 3 – Alberta's international competitiveness will be enhanced; and
- Goal 14 – Albertans will have a supportive and sustainable infrastructure that promotes growth and enhances quality of life.

Progress towards these goals was achieved through greater alignment of immigration programming, ongoing Ministry work and participation in the Government of Alberta Top Priority, *Building and Educating Tomorrow's Workforce*.

Immigration spent $3.7 million more than budgeted due to the expansion of the Provincial Nominee Program (PNP) and increased spending on other immigration initiatives to address the labour force shortfall in the province.

In 2006-07, EII successfully completed the strategies under its Immigration core business. Due to the province's low unemployment rate of 3.4% in 2006 and the forecasted labour shortage as high as 109,000 over the next 10 years, the Ministry expanded the PNP. In 2006-07, PNP nominated 981 individuals to Citizenship and Immigration Canada, which nearly doubled the 522 nominations issued in 2005-06.

Alberta's strong population growth in 2006 was largely due to growth in net interprovincial migration of 63,284 new Albertans and net international migration of 22,971 new Albertans. EII led implementation efforts for *Supporting Immigrants and Immigration to Alberta*, a government immigration policy focused on the attraction and retention of immigrants. The Ministry also began implementing the labour mobility components of the *Alberta-British Columbia Trade, Investment and Labour Mobility Agreement* (*TILMA*). In addition, the International Qualification Assessment Service (IQAS) enhanced foreign credential recognition in Alberta by issuing over 4,800 assessment certificates that recognized foreign educational credentials in 2006-07, an increase of 36% from 2005-06.

Newcomers bring many of the skills needed to enhance our labour force and the cultural diversity of the province. By marketing Alberta as a great place to live, work and do business, EII worked to attract people from other places and then help settle them into Alberta's communities and workplaces.

Core Business 3: Industry

GOAL 3 Linked to Core Business 3 – Industry

Alberta has a competitive and sustainable economy

	PERFORMANCE MEASURES RESULTS	Target	Met Target	Results	Variance
3.a	Manufacturing and service industry investment ($billions) – The value of new capital expenditures on construction, machinery and equipment in Alberta's manufacturing and services industries.	$14.4 billion	✓	$16.9 billion	$2.5 billion
	(% Change)	7.0%	✓	14.3%	7.3%
3.b	Percentage of employers who reported no positions vacant for over four months.	n/a*		n/a*	n/a*
3.c	Growth in manufacturing and business and commercial services (Real GDP in chained 1997 dollars, billions). **	$28.0 billion	✓	$29.1 billion	$1.1 billion
	(% Change)	3.5%	✓	6.2%	2.7%
3.d	Number of visits to the website www.alberta-canada.com.	1,030,000	✓	2,156,184	1,126,184
3.e	Demand for business information delivery through the Business Link and the Calgary Business Information Centre:	47,500		44,784	(2,716)
	• Walk-in/Phone/E-mail				
3.f	Percent satisfied with Employment, Immigration and Industry publications (biennial survey).	95%		94%	(1%)
3.g	Manufacturing shipments ($billions) – Annual value of all manufacturing shipments by Alberta companies within Alberta, and to other provinces and countries.	$59.3 billion	✓	$64.4 billion	$5.1 billion
	(% Change)	2.0%	✓	6.9%	4.9%
3.h	Business investment in machinery and equipment in Alberta as percent of GDP (Real GDP in chained 1997 dollars).	12.7%	✓	13.2%	0.5%
	(% Change in machinery and equipment)	4.3%		(1.8%)	(6.1%)

* Note: Data collected biennially; 2006-07 was not a scheduled year to administer the survey, therefore targets are not identified.
** Note: For a definition of "real GDP in chained 1997 dollars," please see Performance Measures Sources and Methodologies – Appendix E.

GOAL 4 Linked to Core Business 3 – Industry

Alberta has strong and vibrant regions and rural communities

	PERFORMANCE MEASURES RESULTS	Target	Met Target	Results	Variance
4.a	Number of communities participating in regional economic alliances and partnerships.	260	✓	264	4
4.b	Percent of Regional Economic Development Alliance board members satisfied with Employment, Immigration and Industry staff support.	88%	✓	91%	3%
4.c	Partner satisfaction with Northern Alberta Development Council's contribution in advancing northern interests.	8.0		7.7	(0.3)
4.d	Bursary return rate.	76%	✓	81%	5%

GOAL 5 Linked to Core Business 3 – Industry

Alberta has a fair, safe and healthy work environment

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
5.a	Lost-Time Claim Rate (LTC): number of lost-time claims per 100 person-years worked.	2.0		2.35	(0.35)
5.b	Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).	98%	✓	99%	1%
5.c	Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards.	97%	✓	98%	1%
5.d	Satisfaction of individuals and organizations which have used selected workplace programs and services:				
	• Workplace Health and Safety Contact Centre	n/a*		n/a*	n/a*
	• Employment Standards Contact Centre	n/a*		n/a*	n/a*

* Note: Data collected biennially; 2006-07 was not a scheduled year to administer the survey, therefore targets are not identified.

GOAL 6 Linked to Core Business 3 – Industry (Alberta Labour Relations Board)

Alberta has a fair, equitable and stable labour relations environment

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
6.a	Average number of days from the acceptance of an application to the date of the first hearing.	44**		67	(23)
6.b	Percentage of applications, with Board involvement, settled before reaching a formal hearing.*	56%	✓	65%	9%
6.c	Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s).	85%		80%	(5%)
6.d	Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s).	100%		88%	(12%)

* Certifications and Revocations are not included as they are mandated to go to hearing if applicant demonstrates sufficient statutory requirements. However, it is common for the numerous and sometimes complicated issues relating to these applications to benefit from Alberta Labour Relations Board (ALRB) settlement efforts.

** ALRB set the target for this performance measure in 2007-08 at 70 days in the most recent business plan.

GOAL 7 Linked to Core Business 3 – Industry (Appeals Commission for Alberta Workers' Compensation)

Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

PERFORMANCE MEASURES RESULTS		Target	Met Target	Results	Variance
7.a	Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized:				
	• Standard Appeals	170		172	(2)
	• Complex Appeals	230	✓	225	5
7.b	Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.	Greater than 98.0%		98.0%	--

FINANCIAL RESOURCES			Section Reference
(Total Gross Expenditures, $000's)	Planned Spending	175,067	*See Ministry Financial Analysis and Discussion Section*
	Actual Spending	173,952	
	Variance	1,115	

INTEGRATED RESULTS ANALYSIS – CORE BUSINESS THREE – INDUSTRY

Alberta continues to experience unprecedented economic expansion, leading the nation in gross domestic product (GDP) growth in 2006. However, with such growth comes a variety of challenges including cost overruns, infrastructure, innovation and productivity pressures, labour and skill shortages, and economic performance pressures related to the province's dependence on the volatile commodity-based energy sector. EII works with industry and communities to enhance sustainable economic development, competitiveness, innovation and productivity, labour force development, and to promote fair, safe and healthy workplaces.

This core business also supported the following goals in the Government of Alberta Business Plan:

- Goal 1 – Alberta will have a diversified and prosperous economy;
- Goal 3 – Alberta's international competitiveness will be enhanced;
- Goal 10 – Alberta will be a fair and safe place to work, live and raise families; and
- Goal 14 – Albertans will have a supportive and sustainable infrastructure that promotes growth and enhances quality of life.

Progress towards these goals was achieved through ongoing Ministry work and participation in Government of Alberta Top Priorities, specifically *Building and Educating Tomorrow's Workforce*, *Improving Alberta's Health System*, *Building Aboriginal Self-Sufficiency* and *Saving Lives and Reducing Injury on Alberta Highways*.

Program under expenditures in this core business resulted from lower than anticipated program development and support costs.

In 2006-07, EII successfully implemented the strategies under its Industry core business. The Ministry continued to lead government's economic development strategy *Securing Tomorrow's Prosperity* to develop competitive goods and service industries that maximize value. Also, EII and Alberta Advanced Education and Technology launched the *Building and Educating Tomorrow's Workforce* strategy in response to the challenges faced in meeting Alberta's demand for a skilled workforce and increased productivity.

As a result of Alberta's strong economic growth in 2006, the value of new capital expenditures on construction, machinery and equipment in manufacturing and service industries increased an amazing 14.3% to $16.9 billion and manufacturing shipments increased 6.8% to $64.4 billion from 2005 results, well above the target of $59.3 billion. In addition, the real GDP for manufacturing and business and commercial services increased 6.2% to $29.1 billion. Business investment in machinery and equipment in Alberta as percent of real GDP (13.2%) exceeded the target of 12.7%. Although total investment by the oilsands industry grew strongly in 2006, many new projects were in the early stages where investment was made in construction instead of machinery and equipment. Investment in machinery and equipment typically occurs towards the end of oilsands projects. For the same reason, the business investment value in machinery and equipment decreased from the 2005 value by 1.8%.

EII provided client-driven economic and business information to Albertans, businesses and other organizations through the www.alberta-canada.com website, with 2,156,184 visits in 2006-07 – 86% more than in 2005-06. The remarkable increase in the number of visits to the

www.alberta-canada.com website was primarily due to a number of aggressive marketing activities and initiatives and the high profile of Alberta in key markets around the world. In addition, the 94% client satisfaction rate with EII publications substantially met the target of 95%, and demonstrates EII's success in providing valuable business and economic information to the public to support stakeholders' decision-making. The Business Link (Edmonton office) and the Calgary Business Information Centre reported a total of 44,784 client interactions, which was short of the 47,500 target by 6%. This likely resulted from the increased use of Internet technology by clients to obtain basic business information.

The Ministry led the implementation of the *Rural Development Strategy*, including the creation of Rural Alberta's Development Fund, an independent not-for-profit corporation, which administers a $100 million project fund to support community-focused initiatives contributing to the growth and prosperity of rural Alberta. Regional Economic Development Alliances (REDAs) co-ordinated community economic development partnerships and strategies to spur greater regional economic prosperity. Besides the increase in the number of communities participating in established regional economic alliances and partnerships (264) from 2005-06 to 2006-07, 91% of REDA board members were satisfied with EII staff support.

The Northern Alberta Development Council (NADC) was successful in encouraging economic development and prosperity in northern Alberta, as the NADC Bursary saw a return rate of 81% in 2006-07. The bursary return rate monitors students' compliance with their obligation to work in northern Alberta after completing their education. NADC partners and stakeholders rated their satisfaction with the Council's contribution in advancing northern interests at 7.7 out of 10.

Moving Forward with Work Safe Alberta was jointly developed with industry, labour and other areas of government to implement strategies designed to prevent workers from being injured at work. While the "2.0 or lower" lost-time claim rate target was not met this year, the provincial lost-time claim rate decreased to 2.35 injuries per 100 person-years worked. A lost-time claim rate of 2.35 represents about 16,500 fewer lost-time injuries each year and more than $280 million in direct annual claims cost savings to the Workers' Compensation Board – Alberta when compared to the 2000 rate of 3.4.

The Ministry continued to register, investigate and resolve employment standards complaints. Through a combination of services and initiatives, including telephone counselling, educational programs, compliance, policy and standards (including permits and appeals) and partnerships, the 'percentage of employers whose employment practices resulted in no complaints' was 98%. In addition, 99% of collective bargaining agreements were settled without a legal work stoppage. These impressive results were achieved during a time when Alberta had the strongest gross domestic product growth in Canada (6.8% from 2005 to 2006), the highest labour productivity level ($40.34 real GDP per hour worked in 2005), and a big increase in the average hourly wage (8.7% from 2003 to 2005); all factors that typically place pressure on the workplace and lead to increased wage demands.

Alberta Labour Relations Board

The economic pressures produced by ongoing, sector-based, collective bargaining issues throughout the province continued to impact the Alberta Labour Relation Board (ALRB) activities in 2006-07. These pressures will continue to influence the complexity of the issues brought before ALRB for now and the near future.

The average number of days from the acceptance of an application to the date of the first hearing was 67, which missed the target of 44. After errors in methodology were identified in the 2003-04 annual report, ALRB considered changing its targets to accommodate the new methodology. Instead it kept the previous targets identified in 2003-04 business plan, anticipating that changes to the tracking of files in the case management system and closer monitoring of files, would allow the ALRB to meet the 44 day target. This has not been the case and ALRB set the target for this performance measure in 2007-08 at 70 days in the most recent business plan. ALRB improved

its performance in 2006-07 by 12% compared to last year. The major reason for this decrease in processing time arises from an anomaly (one file with four matters) in 2005-06 which had a considerable impact on our results in this measure. The complexity of the four matters on this file (compared to 567 matters over the reporting period) changed the average from 69.7% to 74.9%, a difference of 5.2 percentage points.

The parties continued to make use of ALRB's settlement processes with 65% of applications being settled without formal hearings.

ALRB realized an 18-percentage-point increase in the percentage of decisions rendered within 90 calendar days from the completion of the hearing(s). The number of decisions rendered 180 calendar days from the completion of the hearing(s) stayed the same as the previous fiscal year at 88%. ALRB believes that the 100% target is an appropriate one and will continue to strive to achieve that goal.

ALRB will continue in its mission to administer, interpret and enforce Alberta's collective bargaining laws in an impartial, knowledgeable, efficient, timely and consistent way.

Appeals Commission for Alberta Workers' Compensation
The Appeals Commission for Alberta Workers' Compensation (Appeals Commission) provides a timely, fair and independent appeals process consistent with legislation, policy and the principles of natural justice.

Positive performance measures results for the Appeals Commission occurred as a consequence of a number of factors undertaken in previous reporting periods including additional staffing, procedural changes, revised reporting and a decline in appeals.

Harmonizing staffing with appeal workload combined with the changes in administrative processing and requirements introduced in the 2006-07 fiscal year have had a positive impact on decreasing the number of days taken to process an appeal – bringing the Appeals Commission to within two days of the target set for standard appeals and exceeding the target set for complex appeals by five days.

In the past fiscal year, 98% of the decisions issued were not challenged, or if they were, they were upheld upon review by the Courts, the Ombudsman or the Appeals Commission on its Own Motion. Over the past several years, results in this area have remained relatively consistent. Ongoing effort will be placed on continuing to enhance the competencies of the Appeals Commission through training and recruitment initiatives.

A transparent, open and accessible appeals process is one part of an effective workers' compensation system and will continue to be a core principle of the Appeals Commission's activities.

Through activities related to EII's Industry core business, Alberta has opportunities to unleash innovation by increasing research and development intensity, attracting venture capital, creating more jobs that maximize value and expanding industry capacity. EII worked with industry and businesses to help them identify new opportunities, improve their competitiveness, and introduce innovative technologies and processes to increase productivity and promote fair, safe and healthy workplaces. In addition, promoting rural, regional and northern economic development, building community capacity and infrastructure, and expanding learning and skill development opportunities will assist with building vibrant and strong communities throughout the province.

Future Changes to Performance Measures

The 2007-2010 Business Plan performance measures suite was significantly revised due to the creation of the Ministry of Employment, Immigration and Industry (EII). The performance measures from all six former ministries (please see Ministry Organization Changes 2006-07 – pages 28-31) were reviewed and analyzed. Six new performance measures were added and eight were removed to provide a suite of measures that better demonstrate progress towards achievement of EII's 2007-2010 Business Plan goals.

New Performance Measures for 2007-2010:

- Percentage of immigrants to Canada that choose Alberta as their destination.
- Percentage of clients who would recommend International Qualifications Assessment Services to others requiring an educational assessment.
- Number of International Qualifications Assessment Services assessment certificates issued.
- Labour productivity: inter-provincial rank of real Gross Domestic Product in dollars per hour worked (#1 is the highest).
- Number of Alberta Economic Regions with a labour force participation rate higher than the national average.
- Disabling Injury Rate: number of disabling injury claims per 100 person-years worked.

Performance Measures Discontinued for 2007-2010:

- Percentage of clients reporting satisfaction with the program/service:
  - Career Information
    - Career Development Information Services
    - Career Development Workshops
    - ALIS (Alberta Learning Information Service) website
    - Job Order Bank Services
    - Labour Market Information Centre Services
    - Materials and Resources
    - Career Information Hotline
    - Student Funding Contact Centre
  - Work Foundations
  - Training for Work
- Percentage of Alberta Child Health Benefit (ACHB) parents who agree they are able to obtain health services they would not otherwise have been able to get for their children.
- Satisfaction of individuals with program/service: Income Support.

Performance Measures Discontinued for 2007-2010: (Continued)

- Number of visits to the website www.alberta-canada.com.
- Demand for business information delivery through the Business Link and the Calgary Business Information Centre: Walk-in/Phone/E-mail.
- Percent satisfied with Employment, Immigration and Industry publications (biennial survey).
- Manufacturing shipments ($billions) – Annual value of all manufacturing shipments by Alberta companies within Alberta, and to other provinces and countries. (% Change)
- Business investment in machinery and equipment in Alberta as percent of GDP (Real GDP in chained 1997 dollars). (% Change in machinery and equipment)

Detailed Program Results Analysis and Discussion

This section provides a detailed discussion of the achievements and performance results of Employment, Immigration and Industry over the past year. Contained in each core business are the corresponding goals, an explanation of what each goal means, the achievements for each strategy and results for each performance measure identified in all six former ministries' 2006-2009 business plans (please see Ministry Organization Changes 2006-07 – pages 28-31). The Detailed Program Results Analysis and Discussion is divided into the following sections:

- **Core Business 1: Employment**
  - Goal 1: All Albertans share in and contribute to the economic prosperity of Alberta
- **Core Business 2: Immigration**
  - Goal 2: Alberta is able to attract workers to the province
- **Core Business 3: Industry**
  - Goal 3: Alberta has a competitive and sustainable economy
  - Goal 4: Alberta has strong and vibrant regions and rural communities
  - Goal 5: Alberta has a fair, safe and healthy work environment
- **Alberta Labour Relations Board (ALRB)**
  - Goal 6: Alberta has a fair, equitable and stable labour relations environment
- **Appeals Commission for Alberta Workers' Compensation (Appeals Commission)**
  - Goal 7: Alberta has an effective mechanism for the final appeal of Workers' Compensation Board – Alberta decisions

Core Business 1: Employment

Core Business 1: Employment

GOAL 1 Linked to Core Business 1 – Employment

All Albertans share in and contribute to the economic prosperity of Alberta

What it means

Skilled and productive Albertans are critical to achieving economic prosperity and a high quality of life. Alberta's labour market is dynamically changing with the province's economic growth, technological advances and emerging new industries. Through *Building and Educating Tomorrow's Workforce*, the Ministry will strive to ensure all Albertans who are able to participate in the labour market are given an opportunity to do so to their full potential. All Albertans will continue to be supported in acquiring the knowledge, skills and resources needed to participate in current and future opportunities. The Ministry also proactively assists Albertans facing adversity (e.g., Aboriginal Peoples, persons with disabilities and victims of family violence) so that they can participate in the social and economic life of Alberta. In addition, the Ministry provides health benefits, child support services and financial assistance to help Albertans with lower incomes be as independent as possible, move to employment and stay in the labour force.

Strategy 1.1

Provide programs and services to help Albertans develop skills, find and keep employment, manage their careers and adapt to the changing labour market.

Initiated Alberta's 10-year labour force strategy, *Building and Educating Tomorrow's Workforce* (*BETW*), which outlines actions to ensure Alberta has an educated and trained workforce. This business plan goal and supporting strategy contribute to the Inform, Develop and Retain themes of *BETW*. Employment, Immigration and Industry (EII) provided a broad range of career information, employment preparation, skills training and job placement services through a network of EII worksites, contracted training providers and post-secondary institutions. Job seekers were provided with direct access to current employment opportunities so they could obtain and maintain employment in their field of training.

In 2006-07, EII continued to offer the Canadian Agricultural Skills Service program (on behalf of the federal government) to assist farm families in developing skills to improve farm practices and increase their off-farm income.

EII also piloted a program that used a combination of classroom training and job development support to help clients enter the job market after experiencing frequent and long periods of unemployment.

The Ministry continued to promote Canada-Alberta Job Order Bank Services (JOBS) as a job matching service to employers and job seekers. In 2006-07, more than 154,000 jobs were posted on the website, more than 19,000 job matches were completed by job seekers and more than 9,600 job matches were completed by employers. EII also implemented a new Interactive Voice Recognition (IVR) system to support JOBS. The addition of the IVR means employers and job seekers can now specify how much or how little information they want and makes JOBS more convenient to use. A free online resumé review service was also provided via the Alberta

Learning Information Service (ALIS) website to help Albertans, as well as those seeking employment in Alberta, adjust and tailor their existing resumés for specific positions.

Strategy 1.2

Provide programs and services to assist under-represented groups (e.g., youth, immigrants, Aboriginal people, older workers, persons with disabilities and Albertans with low income) to develop skills and increase their labour force participation.

Alberta's Supply Outlook Model: Special Equity Groups (2006-2016) was developed to inform people about the occupational supply outlook for under-represented groups (e.g., Aboriginal Peoples, visible minorities and those who report limitations in their ability to work or go to school).

The Ministry continued to provide a broad array of programs and services to assist under-represented Albertans to develop skills and increase their labour force participation. Examples include: the Quebec-Alberta Exchange program; Youth Employability Program; Trades Work For Women; Immigrant Bridging Program for accountants and engineers; the Advantage 50+ service targeted to older workers; and Hospitality and Tourism training for persons with disabilities. EII also implemented approximately 51 First Nations Training to Employment partnerships in 2006-07. Training and employment opportunities were provided in occupations such as: drywaller, health care aide, meat cutter, truck driver, carpenter, plumber, electrician, and rig and seismic crew worker.

Strategy 1.3

Develop and publish career and labour market information products and resources.

EII provided Albertans with print and electronic information resources on career, workplace and labour market topics. Publications included: work search and workplace health and safety resources for English as an Additional Language (EAL) and low literacy readers; succession planning resources for employers; *The Occupational Supply and Demand Outlook, 2006-2016*; monthly Labour Force Survey highlights; the *2006 Labour Market Review*; and 18 new industry profiles to support the Ministry's *Building and Educating Tomorrow's Workforce Employer Toolkit*.

In addition, visits to the ALIS website increased 21% in 2006-07 to more than 3.5 million. The ALIS website is a partnership between EII and Alberta Advanced Education and Technology to provide Albertans with online career, learning and employment information and services.

Strategy 1.4

Provide income support to Albertans in need, including learners who are improving their skills through training and Albertans escaping family violence.

The Ministry continued to assist Albertans in need and promote attachment to the labour force. In 2006-07, EII processed more than 22,000 applications for Learners to improve their skills through training. EII improved benefits for eligible Income Support clients by increasing core benefits by five per cent for clients who are not expected to work; introducing new benefits to support people leaving abusive situations; easing conditions for victims of abuse receiving benefits; permitting front-line staff to approve an additional $200 annually above the $300 employment support benefit; extending the employment support benefit to employed clients to help them maintain

employment; exempting the new Federal Universal Child Care Benefit of $100 per month per child; and increasing the time period for receipt of the natal benefit.

Strategy 1.5

Increase the attachment of Albertans to the labour market by providing health benefits to children of families with low income, and current and former income support recipients.

The Ministry continued to promote awareness of the Alberta Child Health Benefit (ACHB) and Alberta Adult Health Benefit (AAHB) programs. Program information was presented through multiple channels, such as career and job fairs, chambers of commerce, inter-agency/industry meetings, and personal contact with Albertans accessing EII's programs and services. Promotional activities were implemented in the Alberta Child Health Benefit (ACHB) marketing plan, including both a new visual identity and communication materials to increase the number of families with lower incomes receiving ACHB.

Strategy 1.6

Increase the financial independence of current and former income support recipients by providing child support services to help ensure non-custodial parents provide financial support for their children.

To improve access to additional financial resources and to promote self-sufficiency, EII continued to provide Child Support Services (CSS) to Albertans with lower incomes and extended CSS to Income Support Learners. EII implemented a new system to support the referral of Learners to CSS, and encouraged Learners to meet with CSS staff so they could make informed decisions about pursuing child support income. In addition, EII worked with Alberta Justice to develop CSS core competency training for Evidence and Court Requirements, which ensures child support is appropriately pursued and the applicants', respondents' and children's rights are protected.

Strategy 1.7

Collaborate with the Forum of Federal/Provincial/Territorial Status of Women Ministers to advance women's equality in areas such as the prevention of violence against women and Aboriginal women's issues.

EII released the summary report from the 2006 National Policy Forum on Aboriginal Women and Violence: Building Safe and Healthy Families and Communities. The policy forum was an initiative of federal, provincial and territorial ministers responsible for the Status of Women.

In collaboration with Alberta Advanced Education and Technology, EII co-ordinated the annual Persons Case Scholarship. The scholarship honours the efforts of five Alberta women: Emily Murphy, Louise McKinney, Nellie McClung, Irene Parlby and Henrietta Muir Edwards, who fought and won the right for the women of Canada to be officially deemed "persons" under the law. In 2006-07, seven scholarships were awarded to students whose studies and career goals will contribute to the advancement of women, or who were studying in fields where members of their gender are traditionally under-represented.

Strategy 1.8

Work with the Apprenticeship Program to encourage youth participation in apprenticeship programs and increase completion rates of program participants.

Occupations in trades were promoted through Youth Connections; Alberta Job Corps; Job and Career Fairs; First Nations and Aboriginal Training to Employment initiatives; regional Skills Canada competitions; partnerships with Apprenticeship and Industry Training; Youth Apprenticeship Programs; and the Careers in Motion mobile career centre. In addition, EII offered pre-employment training to targeted positions in the trades that lead to apprenticeships. For instance, training was offered in carpentry, welding, pipe insulation, pipefitting, auto mechanics, drilling and service rigs.

Performance Measure 1.a

Percentage of clients reporting satisfaction with the program/service:

Results of this measure reflect clients' satisfaction levels and provide an indication of the effectiveness of career development and information programs.

- **Career Development Information Services** include career planning, job search and labour market information. These are provided to Albertans through assessment services and career consulting services. The 2006-07 result of 86% exceeded the target of 85% and was an increase of one percentage point from the 2005-06 result.
- **Career Development Workshops** provide information related to career planning, job search and the labour market situation. In 2006-07, participant satisfaction was 92%, which exceeded the target by seven percentage points and was an eight-percentage-point increase over the 2005-06 result. This likely resulted from workshop facilitators' efforts to implement suggestions made by the participants and to respond to participants' requests in a timely manner. This result is an indication that Albertans were satisfied with the effectiveness of the workshops in enhancing their abilities to explore and research occupational choices, find employment and develop their careers.
- **Job Order Bank Services (JOBS)** allow Alberta employers to post employment opportunities online, which are accessed by job seekers free of charge. The overall employer satisfaction with JOBS was 85%, which met the target and exceeded the 2004-05 result of 82% (biennial survey). This indicated that the service met the expectations and needs of the employers.
- **Labour Market Information Centre Services** provide information and resources to help Albertans make informed decisions about their careers, education, and employment opportunities. Client satisfaction was 94% in 2006-07, which substantially achieved the target of 95% and was consistent with past results.
- The **Student Funding Contact Centre (SFCC)** supports Albertans, educational institutions, and other government departments by providing access to information concerning student funding for both post-secondary loans and grants and Income Support for Learners programs. In 2006-07, 90% of the clients indicated they were satisfied with the services provided by SFCC, which exceeded the target by five percentage points. This result is not directly comparable to prior years due to a change in survey administration methodology.

- **Work Foundations** includes a wide range of training, employment and financial assistance programs that are designed to encourage attachment to the labour market. The 2006-07 participant satisfaction result was 91%, which exceeded the target of 85% by six percentage points and was consistent with past results.
- The **Training for Work** program helps Albertans obtain employment through provision of occupational training programs. When asked how satisfied they were with the overall training provided, 90% of participants provided positive responses in 2006-07. This result exceeded the target of 85% and was a three-percentage-point increase compared to 2005-06.

Percentage of clients reporting satisfaction with the program/service:

	2004-05	2005-06	2006-07	Target	Met Target
• Career Information					
- Career Development Information Services	n/a*	85%	86%	85%	✓
- Career Development Workshops	n/a*	84%	92%	85%	✓
- ALIS (Alberta Learning Information Service) website	Data Collected Triennially	96%	Data Collected Triennially	n/a**	n/a**
- Job Order Bank Services	82%	Data Collected Biennially	85%	85%	✓
- Labour Market Information Centre Services	95%	Data Collected Biennially	94%	95%	
- Materials and Resources	Data Collected Biennially	98%	Data Collected Biennially	n/a**	n/a**
- Career Information Hotline	Data Collected Biennially	97%	Data Collected Biennially	n/a**	n/a**
- Student Funding Contact Centre	n/a*	Data Collected Biennially	90%	85%	✓
• Work Foundations	n/a*	95%	91%	85%	✓
• Training for Work	n/a*	87%	90%	85%	✓

* Past results are not comparable due to a change in methodology.
** 2006-07 was not a scheduled year to administer the survey, therefore targets are not identified.
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 1.b

Percentage of participants employed post-intervention.

Labour market employment and training programs are provided to Albertans, including Work Foundations, Training for Work, Job Placement and Apprenticeship programs. These programs prepare Albertans to obtain and maintain employment, with rapid attachment to the labour market being the desired program outcome.

In 2006-07, 83% of program participants were employed three months after they left the program. This result exceeded the target and the 2005-06 result by three percentage points. This result demonstrates EII's success in helping Albertans through career and skill development programs and services.

Participants employed post-intervention

	2005-06	2006-07	Target	Met Target
Percentage of participants employed post-intervention.	80%	83%	80%	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 1.c

Percentage of participants who indicate their training helped prepare them for future employment.

Alberta's labour market experienced dynamic changes due to the province's economic growth, technological advances and emerging new industries. Labour market employment and training programs such as Work Foundations and Training for Work prepare Albertans to obtain and maintain employment. An expected key outcome of labour market employment and training programs is improved attachment to the workforce. This measure identifies the extent to which participants believe EII's programs and services enhance their ability to obtain employment.

When asked if the experience they had through the employment programs prepared them for future employment, 80% of the participants responded positively, which was short of the target of 85%. The shortfall may reflect that some training prepares participants for further education and that participants may feel they would have obtained employment anyway due to the strong economy.

Participants whose training helped prepare them for future employment

	2005-06	2006-07	Target	Met Target
Percentage of participants who indicate their training helped prepare them for future employment.	Foreshadowed in the 2005-2008 Business Plan	80%	85%	

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 1.d

Percentage of Child Support Services clients for whom a support order or agreement is obtained.

EII supports clients in need to maximize their financial resources. This is done in part, through provision of the Child Support Services (CSS), which assist single parents and parents of blended families to obtain child support orders or agreements from non-custodial parents. CSS ensures the amount of child support is appropriate and enforceable by the Alberta Justice Maintenance Enforcement Program. An increase in the result of this measure would indicate that more families have income from child support. This contributes to the financial independence of clients. This measure reports the percentage of CSS clients who have a support order or agreement in place at the closure of their files.

In 2006-07, 73% of CSS clients had a support order or agreement in place when their files were closed. This was slightly lower than the 2004-05 and 2005-06 results of 78%, and the 2003-04 result of 74%, and higher than the 2002-03 result of 61%. This result was short of the target due to the *Family Law Act*, w[illegible]h became effective in October 2005 and had a lingering effect on the file processing time for CSS. CSS staff have been focusing on marketing and positioning the CSS

program to a broader range of Albertans with lower incomes, and on reviewing current administrative practices in order to enhance services and meet the measure's target.

Child support orders/agreements obtained

	2004-05	2005-06	2006-07	Target	Met Target
Percentage of Child Support Services clients for whom a support order or agreement is obtained.	78%	78%	73%	80%	

Source: Employment, Immigration and Industry
Note: This measure reflects Child Support Services' intended outcome of having a support order or agreement in place at the time of a file closure. A file can be opened and subsequently closed each time a client makes an Income Support application. For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 1.e

Percentage of Alberta Child Health Benefit (ACHB) parents who agree they are able to obtain health services they would not otherwise have been able to get for their children.

Through the Alberta Child Health Benefit (ACHB) program, EII provides a premium-free health benefit plan to families with lower incomes for children up to age 18, and 18 to 19 year olds who live at home and are attending school up to grade 12. The ACHB provides coverage for prescription drugs, eyeglasses, dental care, emergency ambulance services and essential diabetic supplies. This program is designed to help reduce the depth of child poverty, improve health and standards of living for families with children, and promote parents' attachment to the workforce. This measure provides an indication of how parents feel they are supported in providing health services for their children.

Of all ACHB parents surveyed in 2006-07, 91% agreed that they were able to obtain health services they would not otherwise have been able to get for their children. This result exceeded the target of 85% by six percentage points, which reflected parents' high satisfaction level with the effectiveness of the ACHB program.

ACHB parents who are able to obtain health services for their children

	2004-05	2005-06	2006-07	Target	Met Target
Percentage of Alberta Child Health Benefit (ACHB) parents who agree they are able to obtain health services they would not otherwise have been able to get for their children.	88%	Data Collected Biennially	91%	85%	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 1.f

Satisfaction of individuals with program/service: Income Support

Through the Income Support program, EII provides financial assistance to individuals who are unable to support themselves financially. Income Support program participants include people who are Expected to Work and people who are Not Expected to Work.

In 2006-07, 74% of clients indicated satisfaction with the program, which was a nine-percentage-point increase compared to the 2005-06 result. This increase reflected EII's efforts to put more emphasis on client assessments and to better match service options with client needs. Although

this result was short of the 85% target, it may reflect dissatisfaction with benefit levels, termination of benefits or the increasing cost of living in Alberta rather than with actual services received. The result demonstrates improved client satisfaction over the time period.

Satisfaction with Income Support

	2005-06	2006-07	Target	Met Target
Satisfaction of individuals with program/service: Income Support	65%	74%	85%	

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 1.g

Percentage of participants employed after leaving Income Support.

Through the Income Support (IS) program, EII provides financial assistance to individuals who are unable to support themselves financially. IS program participants include Expected to Work and Not Expected to Work clients. The IS program supports individuals and families whose income and assets are insufficient to meet their basic needs and helps increase the quality of life of Albertans with lower incomes. IS encourages attachment of Albertans with lower incomes to the labour market.

IS participants who left the program between April and August 2006 were surveyed three months after leaving the program. Out of these clients, 59% were employed at some time since they left the program. The booming economy created increased employment opportunities for people who might have otherwise become IS recipients. While this led to a reduction in the income support caseload, a greater percentage of those that were on the caseload had severe or multiple barriers to employment. Those who left the program without obtaining employment likely entered new partnerships or received support from other sources (e.g., Canada Pension Plan, Employment Insurance and disability-related income).

Participants employed after leaving Income Support

	2005-06	2006-07	Target	Met Target
Percentage of participants employed after leaving Income Support.	68%	59%	70%	

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 1.h

Inter-provincial rank of labour force participation.

The labour force participation rate represents the percentage of the working-age population that is either employed or actively seeking employment (i.e., unemployed). It provides an indication of the relative size of the supply of labour available for the production of goods and services. The inter-provincial rank of labour force participation is an indicator of Alberta's effectiveness in addressing labour force needs, relative to that of other provinces.

In 2006, the labour force participation rate for Alberta was 73.4%, which ranked first in Canada. EII contributed to the highest level of labour force participation compared to other provinces by addressing issues related to labour force development, labour shortages, skills deficits, immigration, labour force planning and productivity, and economic development. This was

achieved through the provision of a wide range of programs and services and collaboration with industry, partners and other levels of government.

Inter-provincial rank of labour force participation

	2004	2005	2006	Target	Met Target
Inter-provincial rank of labour force participation.	#1	#1	#1	#1	✓

Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Core Business 2: Immigration

Core Business 2: Immigration

GOAL 2 Linked to Core Business 2 – Immigration

Alberta is able to attract workers to the province

What it means

Alberta's strong economic growth is placing high demands for skilled and productive workers in our labour force. Right now, there are not enough workers to fill the demand of business and industry in the province. Over the next ten years, current forecasts indicate that the demand for workers will exceed Alberta's labour force growth predictions by 109,000 people. As part of *Building and Educating Tomorrow's Workforce*, Alberta will look beyond its borders, first to the other provinces and then to the rest of the world for people to fill the demand gap in both the short and long term. At the same time, the Ministry provides supports and services for newcomers as they settle within our communities and move into the workforce. The Ministry also leads *Supporting Immigrants and Immigration to Alberta*, a basis for co-ordinated policy and programs for new Albertans.

Strategy 2.1

Align policies and programs for immigrants with Alberta's economic and social priorities.

EII led the cross-government efforts to implement the policy framework *Supporting Immigrants and Immigration to Alberta*. This included expanding language assessment services and developing innovative approaches to teaching English as an Additional Language.

The Ministry also worked with Citizenship and Immigration Canada and Service Canada to reduce the processing time for Temporary Foreign Worker applications and to identify existing and emerging skill shortages. On November 15, 2006 the federal government announced the streamlining of application processes including the establishment of regional occupational shortage lists, which provide better information to employers on existing and emerging skill shortages.

Strategy 2.2

Ensure professional and occupational associations serve the public interest and governing legislation is sensitive to the needs of all stakeholders.

EII implemented a Canada-Alberta Working Group on Foreign Credential Recognition to ensure appropriate federal involvement with Alberta professional regulatory associations.

In collaboration with the Association of Professional Engineers, Geologists, and Geophysicists of Alberta (APEGGA), EII prepared amendments to the supporting regulations of the *Engineering, Geological and Geophysical Professions Act*. These amendments will allow Registered Professional Technologists in engineering and geosciences to have Council membership and voting rights in APEGGA, and also to create a "provisional licensee" subcategory of APEGGA membership. A proposed *Landscape Architects Regulation* was prepared in collaboration with

the Alberta Association of Landscape Architects, which requires its members to meet the Association's standard of professional service.

The Ministry also collaborated with the Alberta Association of Architects on the development of a proposed new regulation, which consolidates the current five regulations under the *Architects Act* into one comprehensive document governing member registration, continuing competency and practice requirements. In collaboration with the Alberta Institute of Agrologists (AIA), EII prepared supporting regulations to the new *Agrology Profession Act* to establish application, registration and continuing competency requirements for the various categories of AIA membership.

Strategy 2.3

Promote access to employment opportunities by reducing or eliminating labour mobility barriers.

EII began implementation of the labour mobility components of the *Alberta-British Columbia Trade, Investment and Labour Mobility Agreement* (*TILMA*), which was signed at an Alberta-British Columbia joint-cabinet meeting in April 2006. Consultations and negotiations were held with 15 Professional Regulatory Organizations to remove labour mobility barriers between Alberta and British Columbia. In support of *TILMA*, the Ministry obtained funding from the federal government to enable five regulatory groups to meet labour mobility obligations and establish methods of improving labour mobility. EII also liaised with national and Alberta professional associations to negotiate two new Mutual Recognition Agreements to remove barriers to labour mobility for teachers and hearing instrument practitioners.

Strategy 2.4

Expand the Provincial Nominee Program to assist employers in meeting skilled worker shortages.

The Provincial Nominee Program (PNP) helps skilled workers obtain their permanent residence status from Citizenship and Immigration Canada. In 2006-07, PNP significantly reduced the processing time for permanent residence of skilled foreign workers. In addition, PNP nearly doubled the total annual number of provincial nomination certificates it forwarded to the federal government. This program contributes to addressing Alberta's skilled labour shortages as it enables employers to recruit and retain foreign workers to fill skilled positions in their occupations.

Strategy 2.5

Market Alberta as a destination for economic immigrants.

The Ministry co-ordinated economic immigration marketing recruitment initiatives in Germany, France, Belgium, the United Kingdom, the Netherlands, Poland, Ukraine, the United States, Mexico, South Korea, Taiwan, and the Philippines. These initiatives promoted Alberta as a destination of choice for economic immigrants (permanent residents selected for their skills and ability to contribute to Canada's economy).

How to Hire a Foreign Worker seminars were delivered throughout Alberta. The Alberta Foreign Worker Hotline was established to address the questions of Alberta employers and foreign nationals. The Alberta Jobs database was added to the www.alberta-canada.com website to help

employers advertise their jobs to foreign workers. In addition, detailed market research was undertaken to help direct marketing efforts and identify potential labour attraction opportunities.

Strategy 2.6

Support the implementation of Alberta's policy framework on immigration to Alberta by working with partners and stakeholders to increase opportunities for English as a Second Language, improve ways for international students to access Alberta's labour market and enhance foreign credential recognition.

In 2006-07, the International Qualifications Assessment Service (IQAS) issued more than 4,800 assessment certificates that recognized foreign educational credentials, an increase of 36% from the previous year. IQAS also expanded the information repository, which provides detailed information on foreign educational systems and credentials to help inform employers, professional licensing bodies and educational institutions.

Also, EII directly funded English as an Additional Language and Bridging to Work programs to assist recent immigrants settle within Alberta's communities and move into the workforce.

Performance Measure 2.a

Number of provincial nominations forwarded to the federal government.

The Provincial Nominee Program (PNP) helps skilled workers obtain their permanent residence status from Citizenship and Immigration Canada (CIC). PNP significantly reduces the processing time for permanent residence of skilled foreign workers through expedited processing. This program contributed to addressing Alberta's skilled labour shortages as it enabled employers to recruit and retain foreign workers to fill skilled positions in their occupations.

This measure examines the number of provincial nominations PNP forwarded to CIC in a given year, which provides insight into the success of the program. In 2006-07, PNP nominated 981 individuals to CIC, which nearly doubled the 522 nominations issued last fiscal year.

The result reflected the Ministry's efforts in expanding the program. This was achieved by increasing resources available to process PNP applications. In addition, the Ministry targeted larger companies within priority sectors to inform companies of the PNP and how it could help meet their labour market demands in Alberta by the retention and recruitment of foreign workers. This performance measure's result was encouraging, especially considering the external factors such as increased international competition for immigrants that could have had a negative impact.

Provincial nominations forwarded to the federal government

	2005-06	2006-07	Target	Met Target
Number of provincial nominations forwarded to the federal government.	522	981	500	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Core Business 3: Industry

Detailed Program Results Analysis and Discussion

Core Business 3: Industry

GOAL 3 Linked to Core Business 3 – Industry

Alberta has a competitive and sustainable economy

What it means

EII is well-positioned to set the long-term strategic direction for value-maximization industry and economic development for Alberta. The Ministry works with the Alberta Economic Development Authority, industry, businesses, communities and the Regional Economic Development Alliances to make Alberta globally competitive in priority sectors by promoting initiatives to attract investment and improve company competitiveness, capacity, competency and productivity. EII also works with individuals and companies to secure and retain investment for Alberta. In addition, the Ministry collaborates with partners such as industry and employers, industry sector associations, unions, labour groups, training providers, communities and other orders of government to address current and emerging skills and labour requirements.

Strategy 3.1

Exchange information with business, industry, communities and other jurisdictions on significant trends and issues as well as the knowledge and skills that will be required in the labour market.

EII developed an *Industry and Employer Toolkit* and *Industry Profiles* to assist industry and employers in managing their workforce. The Toolkit and Profiles were released on the Ministry's website, providing one-stop access to labour market information as well as resources on Government of Alberta programs and services addressing labour and skill shortages.

EII also developed and published Alberta occupational information via the Alberta Learning Information Service (ALIS) website. New occupational profiles were created and more than 170 profiles were updated. Information about certification and registration requirements for working in Alberta was also updated.

The Ministry liaised with various stakeholders throughout the province to inform them of labour market issues and trends as well as best practices to address these issues. Through a series of symposia and best practices forums, EII offered a venue for employers to meet, talk and share successful experiences. Examples include: the Attracting, Recruiting, and Retaining Persons with Disabilities seminar; Find Workers You Need – Build the Business You Want symposium; best practices sessions on workplace productivity and recruitment and retention; and the Growing in Southeast Alberta rural symposium.

Strategy 3.2

Develop alliances with industry and other stakeholders at the local, provincial, national and international level that will contribute to labour force development.

EII continued to enter into alliances to help connect Albertans with information related to employment and training opportunities, including partnerships with:

- The Edmonton Economic Development Corporation, Aboriginal-serving agencies and representatives of Edmonton's business community to publish a collection of best practices, strategies and tools employers can use to attract and retain Aboriginal employees; and
- The City of Medicine Hat, City of Brooks, Palliser Economic Partnership and Service Canada to develop a Southeast Alberta workforce strategy.

In addition, EII supported the Minister's participation in the 2006 Pacific Northwest Economic Region Annual Summit, which provided opportunities for business and political leaders from the United States and other Canadian jurisdictions to network and share effective ways to address common issues.

Strategy 3.3

Co-champion the Building and Educating Tomorrow's Workforce Priority on behalf of the Ministry.

In response to the challenges faced by Alberta's labour force, EII and Alberta Advanced Education and Technology launched the *Building and Educating Tomorrow's Workforce* (*BETW*) strategy to ensure current and future labour force needs are met. The strategy is built around achieving three outcomes: an improved supply of appropriately skilled workers; development of highly skilled, educated and innovative people; and creating high performance work environments that can maximize the use of innovation and technology.

A Ministers' Symposium was held on September 19, 2006 to share best practices being developed by industry, education, labour and government related to the four strategic themes in the *BETW* strategy: Inform, Attract, Develop and Retain. With industry sectors, EII has focused activities on the development of *BETW* sub-strategies to address unique labour force pressures and challenges. A retail sub-strategy has been released and sub-strategies for the construction, manufacturing, energy, and tourism and hospitality industries are under development. EII also collaborated with other ministries and Aboriginal Peoples to develop a Government of Alberta First Nations and Métis Workforce Action Plan addressing labour force needs. Meetings were held with representatives from the Métis Nation of Alberta, Métis Settlement General Council and Treaty Seven, Treaty Six and Treaty Eight First Nations to develop individual action plans.

Strategy 3.4

Develop and implement strategies to meet Alberta's labour needs today and in the future.

EII developed the *Action Plan to Support Building and Educating Tomorrow's Workforce (BETW)* to outline how the Ministry will implement *BETW* priority actions over the next three to five years. The *Action Plan to Support BETW* will work, in conjunction with industry sub-strategies and action plans developed by other ministries, to achieve the goals and objectives of the *BETW* strategy.

In addition, the Ministry partnered with Alberta Advanced Education and Technology and Alberta Education to develop *Connecting Learning and Work: Alberta's Career Development Strategy*. This strategy aims to expand the availability of career and employment services and to create an integrated and co-ordinated learning and career development system for all Albertans.

Strategy 3.5

Lead the implementation of *Securing Tomorrow's Prosperity* with other participating ministries to support the development of competitive value-added goods and services industries.

Through numerous presentations and the production and distribution of promotional material to target audiences throughout Alberta, both industry and government were educated and encouraged to implement the strategic directions of the *Securing Tomorrow's Prosperity* strategy. EII also led a cross-ministry committee and working group focused on implementing the strategy and advised government entities of key issues influencing value-maximization growth in Alberta.

Strategy 3.6

Provide longer-term strategic input to the development of policy to maximize the value of Alberta's natural resources and to support a sustainable and diversified economy.

EII and Alberta Energy developed strategies for increasing the value of natural resources (e.g., more intensive processing, development of new market outlets and improved technology applications). To improve Alberta's global cost competitiveness, the Ministry assisted the municipalities and industries in the Industrial Heartland, where major bitumen processing plants are being developed, on the development of a Master Site Plan to facilitate integration with other companies in the value chain and to attract specialized service providers. Also, a number of consultant studies and overseas missions were undertaken to study best practices and get a better understanding of policies used in successful industrial energy clusters at other locations.

Strategy 3.7

Collaborate with the Alberta Economic Development Authority to set key directions where targeted actions and strategies can produce the best economic return for Albertans.

EII facilitated the Alberta Economic Development Authority's (AEDA) 2006-07 visioning initiative, which resulted in the development of a report on Alberta's future that was distributed to government. The initiative also formed the basis for the development of AEDA's strategic plan and committee reorganization to better advise government on where targeted actions and strategies can produce the best economic return for Albertans.

Furthering its work on commercializing technology in Alberta, AEDA co-sponsored a review of venture capital issues. AEDA also partnered with major Canadian corporations in organizing the annual Global Business Forum. Under its theme of "Global Building Blocks," the Forum brought together North American business and government leaders to share their views and perspectives on a number of high profile topics ranging from the price and security of energy supply and the challenges of ensuring clean, drinkable water to the continuing debate over the costs and outcome of efforts to make the world a safer place.

Strategy 3.8

Provide the skills, processes, and technology to enhance information collection and analysis, management and sharing of knowledge within the Ministry, and to support strategic consultation with our clients.

New and enhanced information was delivered to clients on a continuing basis via the www.alberta-canada.com website and specific business intelligence applications, such as the Alberta Jobs database, Investment Attraction System and Regional Indicators System. The Alberta Jobs database was added to the www.alberta-canada.com website in November 2006 to support the Temporary Foreign Worker Program. It allows Alberta employers to post jobs to a job board on the website and foreign nationals can access, review and apply directly to employers for positions advertised. The Investment Attraction System continues to allow businesses interested in investing or relocating to Alberta to access a variety of statistical data and business information at a community level to assist with comparative decision making. The Regional Indicators System presents data for 14 geographic regions in Alberta, providing a common economic profile that will assist economic developers, planners, businesses and policy makers to make decisions and gain insight into the economies of different areas of the province. EII also continued to implement a classification system and information management software to store, manage and share information within the Ministry.

Strategy 3.9

Participate in government's top priorities that influence the province's prosperity.

EII worked with the Hydrocarbon Upgrading Task Force, Alberta Energy, industry, municipal and federal government, and other stakeholders to continue developing the business case and rationale for investment in upgrading Alberta's hydrocarbon resources into higher value products. In addition, meetings were held with various energy and petrochemical companies to present and discuss investment opportunities in the province.

To foster growth in emerging industries (e.g., medical devices, environmental technologies, green building products and aerospace), EII shared best practices and initiated development activities with industry partners. The Ministry also supported innovative new projects such as the Canadian Centre for Unmanned Vehicle Systems in Medicine Hat.

Strategy 3.10

Use Employment, Immigration and Industry's network of regional offices and business and government contacts, to deliver business and economic information and intelligence in a timely fashion to support our clients in their decision-making processes.

EII maintained a regional projects list that captures planned capital projects between $500,000 and $5,000,000 in value. The list was compiled from information provided by EII's regional office network in collaboration with municipal offices. It is a useful tool for contractors interested in knowing what projects are occurring throughout Alberta.

Strategy 3.11

Enhance the effectiveness of Employment, Immigration and Industry's website, www.alberta-canada.com, as a tool to disseminate business information and intelligence to clients

EII increased promotion of immigration on the www.alberta-canada.com website and enhanced its content on the Provincial Nominee Program, Alberta Jobs database and the Guide to Immigration. This content draws a large portion of website visits, as it is linked with a number of strategic partners and indexed and ranked highly in several major search engines.

Strategy 3.12

Assist the development and expansion of small and medium sized Alberta businesses through innovative means (e.g., e-business training) that are provided by service delivery organizations such as The Business Link and the Calgary Business Information Centre.

The Business Link (Edmonton office) and the Calgary Business Information Centre saw more than 44,700 client interactions in 2006-07. Business information and services are tailored to client needs; from business start-up, to achieving growth in a globally competitive environment, to succession planning. EII provided small and medium-sized Alberta businesses with access to relevant and accurate business information and services through advancements to The Business Link (e.g., video-conferencing and eBundles). More than 53% of video-conference participants in various training and seminar events were from outside metro-Edmonton, which indicated improved service to rural Alberta.

Strategy 3.13

Report on the performance and prospects of the Alberta economy to facilitate businesses' planning and budgeting.

A large number of economic publications and a wide variety of web content were prepared during 2006-07, including:

- *Economic Outlook for Alberta* presentation;
- *Monthly Economic Review*;
- *Inventory of Major Capital Projects*;
- *Weekly Economic Highlights*;
- *International Trade Review*;
- *Highlights of the Alberta Economy Exporters*;
- *Benchmarking Alberta in the Knowledge-Based Economy*, prepared in support of the *Securing Tomorrow's Prosperity* strategy; and
- *Facts on Alberta*.

Strategy 3.14

Encourage industry growth and build market presence in Alberta's priority sectors by utilizing sector teams.

Sector teams co-ordinate ministry and cross-ministry collaboration with industry stakeholders. They have been streamlined to focus on a number of priority, value-maximization sectors, and increased emphasis has been placed on initiatives related to productivity and labour issues in each industry sector. Current sector focus includes Aerospace, and Unmanned Vehicle Systems, Energy Technology and Services, Environmental Products and Services, Health and Bio-Industries, and Metal Fabrication.

Strategy 3.15

Improve company competitiveness and productivity by supporting industry innovation, technology adoption and productivity including:

- Encouraging the adoption of technology commercialization and business practices/processes.
- Assisting Alberta companies to match/develop capabilities to market opportunities.

EII developed the *Lean Marketing Strategy* to promote the benefits of process improvement to companies across Alberta. In support of this strategy, presentations were made to companies throughout Alberta. EII also expanded the Lean Enterprise Assessment Program (LEAP) to reach more than 30 Alberta organizations, with many of those companies reporting significant productivity improvements. EII further encouraged the adoption of productivity improvement tools and systems through the Association for Manufacturing Excellence's Lean Conference in October 2006 and the Welding Automation Forum in January 2007.

Strategy 3.16

Promote and develop partnerships, networks and alliances to expand capabilities and improve competitiveness.

EII worked extensively with both industry and provincial and regional economic development groups to promote partnerships between Albertan and Canadian manufacturers to ensure effective use of Alberta's manufacturing capacity. The Ministry supported innovative manufacturing through the Innovative Manufacturing Works marketing initiative and supported Lean Manufacturing Consortia in Alberta, which are a means for businesses to share best practices in manufacturing through the Canadian Manufacturers and Exporters Association. In addition, EII organized and hosted the National Buyer/Seller Forum in Edmonton, which promoted oilsands manufacturing opportunities to companies across Canada.

EII organized and led outgoing technology missions in the secondary wood products and metal fabrication sectors. These missions resulted in new productivity-enhancing equipment investment by private sector firms.

Strategy 3.17

Work with industry to establish a vision for long-term growth.

The Ministry worked with value-maximization sectors to develop strategies for long-term growth and increased global competitiveness. For instance, a strategy developed by the Hydrocarbon Upgrading Task Force (a committee of 100 members from government and the energy industry) encourages the value-maximization processing of bitumen from the oilsands into refined petroleum products and feedstocks for petrochemical developments.

Some accomplishments in support of this strategy include:

- Studies on facility integration design, project economics and increased market access for value-maximization products made in Alberta;
- The National Buyer/Seller Forum and the Innovative Canadian Oilsands Manufacturing Opportunities website (www.iCOSMO.ca), which encourages Alberta service industries to build relationships with other Canadian service companies to expand manufacturing capacities and share opportunities; and
- Ongoing investment attraction missions to promote the strategy to international companies.

Strategy 3.18

Provide strategic intelligence and market information to support companies in identifying and accessing market opportunities within global target markets.

EII conducted technology awareness missions in the metal fabrication, building products, and chemical and petrochemical sectors to jurisdictions selected for their world class manufacturing industries. These missions were conducted to expose Alberta companies to best practices and educate them on the requirements for accessing market opportunities.

In addition, market and business intelligence was communicated to businesses through:

- Technology awareness advertorials in Alberta Venture magazine;
- The metal fabrication sector newsletter, *Metal Fab Pulse*;
- An industrial lumber study on market opportunities for Alberta's softwood producers;
- Outsourcing seminars provided through the Alberta Institute of the Purchasing Management Association of Canada;
- The RemTech 2006 seminars on remediation technology and plenaries;
- Presentations on water treatment opportunities in the oil and gas industry;
- A cargo shipper's forum promoting opportunities from the opening of a new rail container facility at the Port of Prince Rupert;
- Sponsorship of the World Air Cargo Forum and promotion of Alberta opportunities to senior air cargo executives from around the world;
- The National Buyer/Seller Forum; and
- The Innovative Canadian Oilsands Manufacturing Opportunities website (www.iCOSMO.ca).

Strategy 5.2

Implement approaches to enhance compliance with employment standards and workplace health and safety.

EII completed the investigation of more than 4,100 complaints registered under the *Employment Standards Code* and conducted 278 payroll inspections. Under the *Occupational Health and Safety Act*, more than 13,000 registered complaint investigations, including more than 7,500 targeted inspections, were conducted to ensure compliance with legislative requirements and promote the need for an increased health and safety focus in Alberta's workplaces.

In addition, EII implemented an Employment Standards Third Party Inquiry process. A third party who believes an employer is not complying with Alberta's Employment Standards legislation may contact the Employment Standards Contact Centre or Employment Standards Compliance with details of his or her allegations. A third party is an individual who is not a current or former employee of the employer against whom he or she is making an allegation. In 2006-07, 102 inquiries, primarily involving child employment issues, were received and investigated.

Strategy 5.3

Continue to build upon the success of the Work Safe Alberta initiative and implement new approaches to further reduce work related injury and disease.

The Ministry developed Phase Two of the Work Safe Alberta initiative – Moving Forward with Work Safe Alberta – along with industry, labour and other areas of government to implement strategies designed to prevent workers from being injured at work.

EII developed Workplace Health and Safety Teacher Resources with Alberta Education to provide high school teachers with the resources they need to teach workplace health and safety concepts to students, enabling them to work safely and protect their health once in the workforce. The Work Safe Passport is a supplementary tool for students to record health and safety training provided.

EII staff visited 300 targeted employers to encourage implementation of health and safety management systems and attainment of Certificates of Recognition (COR). In addition, a three-year strategic plan – which stressed improved quality assurance, targeted promotion for increased participation and improved standards – was drafted with direction from stakeholders for the Partnerships in Health and Safety program.

Strategy 5.4

Review workplace legislation to ensure it is current and relevant to Alberta's workplaces, including any possible recommendations arising from the MLA Labour Relations Code Review.

The *Occupational Health and Safety (OHS) Code 2006* was adopted as law on November 7, 2006. The new *OHS Code* took effect February 1, 2007 and makes workplace health and safety rules more current and relevant to Alberta worksites.

The Ministry received Cabinet approval for the transfer of the Workers' Compensation Medical Panels from the Workers' Compensation Board – Alberta (WCB) to EII. This enables the Workers' Compensation Medical Panels to be independent of WCB as of January 1, 2007.

Strategy 5.5

Provide Albertans with access to workplace health and safety and employment standards information.

EII added resources to the Workplace Health and Safety website. For example, publications on pandemic preparedness in the workplace were released and new resources were posted for new and young workers, their parents, employers and educators. In addition, the *2005 Occupational Injury and Disease* reports were released as a tool to compare workplace incidents in Alberta.

The Ministry continued to provide information to individual Albertans and employers through the Workplace Health and Safety and Employment Standards Contact Centres in 2006-07. The Workplace Health and Safety Contact Centre responded to more than 22,000 calls and the Employment Standards Contact Centre responded to more than 132,000 calls and approximately 7,000 emails.

EII also launched an Employment Standards awareness media campaign to improve employers' and employees' awareness of Employment Standards. This ensures employers and employees are aware of their Employment Standards responsibilities and rights.

Strategy 5.6

Implement approved recommendations arising from the review of the Employment Standards Code and Regulation.

The Ministry continued work, including follow-up consultations, on the *Employment Standards Code* review to ensure employment standards reflect changes to the workplace and promote fairness between employers and employees. EII developed an Employment Standards strategic plan and conducted consultations with key stakeholders. The plan and consultations helped focus the Employment Standards review on priority areas identified by stakeholders.

Performance Measure 5.a

Lost-Time Claim Rate (LTC): number of lost-time claims per 100 person-years worked.

Through the Work Safe Alberta initiative, EII works with Alberta employers, workers and the Workers' Compensation Board – Alberta to reduce workplace injuries. The initiative includes a wide range of programs and efforts to improve workplace health and safety in Alberta and recognizes that employers, employees, associations, government and the public all have a role to play in promoting workplace health and safety. The LTC rate is a measure of the incidence of injury and disease. The lower the LTC rate, the lower the probability of workplace injury or disease.

In 2006, the provincial LTC rate was 2.35 for Alberta employers, which was the lowest in more than a decade. Although it missed the target of 2.0, this record-setting safety performance

Strategy 3.19

Promote and develop partnerships with other government agencies (federal, provincial and municipal) to assist Alberta companies.

The Alberta Life Technologies Investor Forum 2006 (ALTIF) was held in September 2006 in Edmonton. It attracted more than 100 participants, including investors from Canada, the United States and Hong Kong, to view presentations on new and upcoming Canadian Life Technology investment opportunities from nine companies, including six from Alberta. ALTIF was supported by EII, Alberta Advanced Education and Technology, Western Economic Diversification Canada, Edmonton Economic Development Corporation and Calgary Technologies Inc.

The Innovative Canadian Oilsands Manufacturing Opportunities website (www.iCOSMO.ca), developed in consultation with industry and in conjunction with the federal, Alberta and Ontario governments, was launched by the Canadian Manufacturers and Exporters Association to link Canadian companies with opportunities in Alberta's oilsands.

EII also provided support to the Canadian Environmental Technology Advancement Corporation-West to help small and medium-sized enterprises develop and commercialize new environmental technologies. One of these projects facilitated the demonstration of water treatment technologies and will stimulate $3.1 million of technology commercialization investment.

Strategy 3.20

Build on Alberta companies' capabilities in sectors such as oil and gas and agri-food products to enable market penetration of closely related sectors, such as engineering services or environmental goods and services.

EII's work in key industry sectors is enabling Alberta companies to enter new markets that are complementary to their current product and/or service offerings. Due to record levels of activity in the energy sector, combined with environmental regulation and stewardship, environmental products and services are in demand both across Alberta and internationally. Metal fabricators are beginning to take advantage of supply chain opportunities and capacity constraints to serve new markets and niches, including non-traditional sectors such as the oilsands industry and high-tech sectors. Engineering firms are expanding their reach across Canada and the world and are serving clients in a variety of industrial sectors, all the while maintaining profitability and enhancing their professional skill sets.

The Ministry supported the planning and delivery of the Environmental Services Association of Alberta's Remediation Technology Symposium, RemTech 2006. This event has grown to be Canada's premier soil and water remediation technical conference with more than 500 delegates attending in 2006.

Strategy 3.21

Market Alberta as an attractive destination for investment to targeted companies and capital investors.

EII facilitated many business-related missions, exploring various investment opportunities in Alberta. As a result of these ongoing activities companies invested in a variety of industries (e.g., aviation and aerospace, petrochemicals, drug manufacturing, and the plastics industry). For example, as a result of the Ministry's investment attraction efforts, Korea National Oil Company (KNOC) invested $300 million in an Alberta oilsands development. EII was instrumental in providing KNOC with key market intelligence and value propositions, and facilitating meetings with key industry personnel. Another example is Dominion Energy, which as a result of discussions with EII and other government departments, has announced its intention to develop a $400 million biodiesel and ethanol production facility in the Innisfail area.

Strategy 3.22

Target international companies within priority sectors and global markets for new or expanded investment in Alberta.

During 2006-07, EII undertook investment attraction missions to various geographic markets including India, the United Kingdom, Italy, Korea, China and the United States to promote integrated oilsands processing projects. In addition, these missions promoted opportunities to supply current and proposed capital projects with goods and services. Organizations targeted on these missions included metal fabricators, engineering companies and petrochemical producers. In addition, an investment attraction mission for the medical device sector was held within the United States.

Performance Measure 3.a

Manufacturing and service industry investment ($billions) – The value of new capital expenditures on construction, machinery and equipment in Alberta's manufacturing and services industries.

The value of new capital expenditures on construction, machinery and equipment in manufacturing and service industries continued its upward trend in 2006, increasing from $14.8 billion in 2005 to $16.9 billion in 2006, and exceeding the target of $14.4 billion by 17%. The strong provincial economy had a direct impact on this significant growth in investment, in particular the substantial investment growth for the energy sector, which resulted in investment growth for industries that supply the energy sector's investment goods and services. The pipeline and electricity infrastructure industries also experienced strong growth. Another contributor was the continuous decline of the United States dollar versus the Canadian dollar, which made machinery and equipment imports from the United States more affordable for Canadian investors and encouraged strong investments in Alberta.

Manufacturing and service industry investment

	2004	2005	2006	Target	Met Target
Manufacturing and service industry investment ($billions) – The value of new capital expenditures on construction, machinery and equipment in Alberta's manufacturing and services industries.	$13.1 billion	$14.8 billion*	$16.9 billion	$14.4 billion	✓
(% Change)	(4.6%)	(13.2%)*	(14.3%)	(7.0%)	✓

* Revised
Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 3.b

Percentage of employers who reported no positions vacant for over four months.

The result for this measure is obtained biennially and will be available in 2007-08.

Employers who reported no positions vacant for over four months.

	2004-05	2005-06	2006-07	Target	Met Target
Percentage of employers who reported no positions vacant for over four months.	Data Collected Biennially	Foreshadowed in the 2005-2008 Business Plan	Data Collected Biennially	n/a*	n/a*

* 2006-07 was not a scheduled year to administer the survey, therefore targets are not identified.
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 3.c

Growth in manufacturing and business and commercial services (Real GDP in chained 1997 dollars, billions).

This economic indicator provides guidance in assessing EII's contribution to the provincial economy. This measure examines the annual real gross domestic product (GDP) for priority industries on which the Ministry focuses.

In 2006, the real GDP for manufacturing and business and commercial services was $29.1 billion and was stronger than the target of $28.0 billion. The manufacturing sector expanded significantly due to surging demand from the new oilsands projects and strong global demand for chemicals.

For a comparative frame of reference, Alberta's total economic growth measured by overall GDP was 6.8% in 2006.

Growth in manufacturing and business and commercial services

	2004	2005	2006	Target	Met Target
Growth in manufacturing and business and commercial services (Real GDP in chained 1997 dollars, billions).	$26.0 billion*	$27.4 billion*	$29.1 billion	$28.0 billion	✓
(% Change)	(5.0%)*	(5.1%)*	(6.2%)	(3.5%)	✓

* Revised
Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 3.d

Number of visits to the website www.alberta-canada.com.

EII provides client-driven economic and business information to Albertans, businesses and other organizations through its website www.alberta-canada.com.

In 2006-07, website visits increased by 86% compared to 2005-06 due to a number of aggressive marketing activities and initiatives and the high profile of Alberta in key markets around the world. Marketing activities and initiatives primarily included increased investment in immigration promotion and enhancements to website content such as the Provincial Nominee Program, the Alberta Jobs database and the Guide to Immigration, which comprised a large portion of www.alberta-canada.com website visits. This content was also linked with a number of strategic partners and indexed and ranked highly in several major search engines. A number of supporting collateral materials also profile the specific content on the website and continue to be distributed. The high profile of Alberta resulted from news related to the booming economy and industry that stimulated significant awareness of Alberta and subsequently generated more visits to the website on an ongoing basis. Website visits remained relatively constant throughout the fiscal year but had recently spiked since the introduction of the Alberta Jobs database, which attracted visits from around the world.

Visits to www.alberta-canada.com

	2004-05	2005-06	2006-07	Target	Met Target
Number of visits to the website www.alberta-canada.com.	897,904	1,158,621	2,156,184	1,030,000	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 3.e

Demand for business information delivery through the Business Link and the Calgary Business Information Centre.

The Business Link (Edmonton Office) and the Calgary Business Information Centre (CBIC) continued to evolve their services, while staying true to their original mission of providing timely and accurate business information to Alberta's small business community. This measure monitors client interactions with the Business Link (Edmonton Office) and the CBIC around the province and provides an indication of the service volume resulting from clients actively seeking business information to assist them in business decision-making.

In 2006-07, a total of 44,784 client interactions were recorded, which was short of the 47,500 target by six per cent. This likely resulted from the increased use of Internet technology by clients to obtain basic information. For example, CBIC's website hosted business start-up information that had been previously available only from direct visits. In addition, CBIC introduced the Small Business Training Program as well as a slight shift to focus on more in-depth counselling services rather than just general information dissemination. Another contributing factor was the booming provincial economy in the past year. As a result, there was an abundance of attractive traditional employment opportunities throughout the province, which decreased the need and/or desire for individuals to embark on an entrepreneurial path, resulting in a relatively smaller client pool.

Demand for business information

	2005-06	2006-07	Target	Met Target
Demand for business information delivery through the Business Link and the Calgary Business Information Centre: • Walk-in/Phone/E-mail.	New measure for the 2006-2009 Business Plan	44,784	47,500	

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 3.f

Percent satisfied with Employment, Immigration and Industry publications (biennial survey).

Through production of various publications, EII provides business and economic information to the public to support stakeholders' decision-making. Publications are available through email and print subscriptions. These publications include: the *Inventory of Major Alberta Projects*; the *Monthly Economic Review*; the *Inventory of Alberta Regional Projects*; the *Highlights of the Alberta Economy*; and the *International Trade Review*.

This measure demonstrates the degree to which subscribers are satisfied with the publications. The 2006-07 result of 94% substantially met the target of 95%.

Clients satisfied with EII publications

	2004-05	2005-06	2006-07	Target	Met Target
Percent satisfied with Employment, Immigration and Industry publications (biennial survey).*	98%	Data Collected Biennially	94%	95%	

* Result reflects client satisfaction with the publications of the former Ministry of Economic Development.
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 3.g

Manufacturing shipments ($billions) – Annual value of all manufacturing shipments by Alberta companies within Alberta, and to other provinces and countries.

In 2006, the manufacturing shipments value reached a new high of $64.4 billion, which exceeded the target by $5.1 billion and was a 6.8% increase from the 2005 result.

The manufacturing shipments value experienced a higher-than-expected growth, which was mainly the result of the booming energy sector, particularly new oilsands projects. In 2006, the machinery and fabricated metals industries that supplied these projects experienced a growth of 18%. Strong petrochemical prices also played a role in contributing to the high value of manufacturing shipments.

Manufacturing shipments

	2004	2005	2006	Target	Met Target
Manufacturing shipments ($billions) – Annual value of all manufacturing shipments by Alberta companies within Alberta, and to other provinces and countries.	$53.8 billion*	$60.3 billion*	$64.4 billion	$59.3 billion	✓
(% Change)	(15.7%)*	(12.0%)*	(6.8%)	(2.0%)	✓

* Revised
Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 3.h

Business investment in machinery and equipment in Alberta as percent of GDP (Real GDP in chained 1997 dollars).

In 2006, business investment in machinery and equipment accounted for 13.2% of the real GDP, which exceeded the target of 12.7%. The 2006 result was a decrease compared to the 2005 result of 14.3% due to a sharp decline in investment in machinery and equipment by the oilsands industry. Although total investment by the oilsands industry grew strongly in 2006, many new projects were in the early stages where investment was made in construction instead of machinery and equipment. Investment in machinery and equipment typically occurs towards the end of oilsands projects. For the same reason, the business investment value in machinery and equipment decreased from the 2005 value by 1.8%.

Business investment in machinery and equipment in Alberta as percent of GDP

	2004	2005	2006	Target	Met Target
Business investment in machinery and equipment in Alberta as percent of GDP (Real GDP in chained 1997 dollars).	13.3%*	14.3%*	13.2%	12.7%	✓
(% Change in machinery and equipment)	(11.7%)*	(13.0%)*	(-1.8%)	(4.3%)	

* Revised
Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

GOAL 4 Linked to Core Business 3 – Industry

Alberta has strong and vibrant regions and rural communities

What it means

Vibrant and sustainable rural communities with increased economic and social capacity contribute to a prosperous Alberta. Employment, Immigration and Industry in collaboration with other Ministries and rural and regional communities, continues to make progress on *A Place to Grow: Alberta's Rural Development Strategy*. The Ministry also works to strengthen rural communities and advance northern development through facilitation of the development of the Regional Economic Development Alliances. It also assists Alberta communities and alliances in identifying investment opportunities to promote sustainable growth. The Northern Alberta Development Council focuses attention and awareness on northern Alberta's unique opportunities and challenges as it initiates, co-ordinates and develops policies and strategies to advance sustainable northern development.

Strategy 4.1
Work with rural Alberta communities and alliances to identify investment opportunities.

In 2006-07, all Regional Economic Development Alliances (REDAs) undertook investment opportunity identification and/or investment marketing initiatives in such sectors as tourism, film, manufacturing, defense, petrochemical, agri-processing and alternative energy.

Strategy 4.2
Increase the number of Regional Economic Development Alliances across the province.

EII supported communities in their endeavours to build networks that facilitate economic development. In 2006-07, the Ministry supported the ongoing development of two new REDAs – the Regional Municipality of Wood Buffalo and Lesser Slave Lake Economic Alliance.

Strategy 4.3
Support the ongoing development and operations of the Regional Economic Development Alliances throughout Alberta, which includes developing strategic plans and annual operating plans, and supporting regional economic development.

EII currently supports 12 established REDAs (two urban and 10 rural) throughout the province with annual grants and management and administrative services. The REDAs have a voluntary, self-selecting membership of communities and regional economic development stakeholders.

EII hosted the *Pan Western Regional Economic Development Conference*, which explored the dramatic changes taking place in Western Canada's economy and how various jurisdictions are responding to those changes. The conference, which was held in Camrose from October 24 to October 26, 2006, involved 240 delegates and presenters.

Strategy 4.4
Provide information and advice to other regional partnerships and community economic development projects, including assistance to communities suffering from major economic setbacks (e.g., plant closures, natural disasters).

EII continued to support Alberta communities with economic development assistance. For example, project grant assistance was provided to the SouthGrow Regional Initiative to support their participation in the newly formed Southern Alberta Alternative Energy Partnership, which will be examining opportunities to commercialize renewable energy sources. In addition, EII provided project grant assistance to the Society of the Lethbridge Community Network to deliver programs to assist individuals seeking employment and career development. The Ministry also provided grant assistance to the Town of Three Hills for the purchase and installation of video conferencing equipment for the Three Hills and Hanna Virtual Learning and Business Centre.

Strategy 4.5
Strengthen community economic development capacity within Alberta through partnerships with the Economic Development Association of Alberta, AlbertaFirst.com, the Regional Economic Development Alliances and others.

EII continued to work with and support partners in strengthening community economic development capacity, particularly in rural Alberta. For instance, management and administration support was provided for all 10 rural Regional Economic Development Alliances. Also, the Ministry provided support to the Economic Development Association of Alberta to undertake a complete arms-length review of its Community Economic Development Training Program.

Strategy 4.6
Co-ordinate a collaborative, cross-ministry approach to the implementation of the Government of Alberta Rural Development Strategy.

An Assistant Deputy Ministers Committee on Rural Development was established to co-ordinate the Government of Alberta's response to implementing *Alberta's Rural Development Strategy*. The Committee provides a structure and forum to discuss and address ongoing and emerging rural development challenges.

Strategy 4.7
Support the implementation of the Rural Development Strategy.

Rural Alberta's Development Fund was established in October 2006. It is an arms-length corporation, governed by a Board of Directors, which administers a $100 million project fund to support community-focused initiatives contributing to the growth and prosperity of rural Alberta.

Alberta's Rural Development Network is now in place, which includes 17 of Alberta's public colleges, technical institutes and universities. This network of post-secondary institutions will support rural development and help rural communities grow through learning.

In addition, EII provided financial, planning and co-ordination assistance to support the Alberta Association of Municipal Districts and Counties. Rural Matters! Forging Healthy Canadian Communities, a national symposium on rural issues is being held in Edmonton in July 2008.

Strategy 4.8
Encourage/build relationships between regional alliances and Aboriginal communities.

EII supported nine Aboriginal awareness training sessions hosted by Regional Economic Development Alliances and other regional organizations, including three focusing on recruiting and retaining an Aboriginal workforce.

Strategy 4.9

Enhance the delivery of business information and management training opportunities to Aboriginal entrepreneurs and businesses.

EII worked with Aboriginal service providers such as Alberta Indian Investment Corporation, Apeetogosan (Métis) Development Inc., Settlement Investment Corporation, The Business Link and Treaty Seven Economic Development Corporation to provide access to business advisory services, including business counselling, business planning and mentoring opportunities.

Strategy 4.10

Engage northern and Aboriginal communities, businesses, industry and other stakeholders to address northern socio-economic priorities, opportunities and challenges to support northern strategies and initiatives.

The Northern Alberta Development Council (NADC) hosts a conference every three years as a forum for northern stakeholders to identify priorities in addition to discussing challenges and opportunities critical to the future growth of northern Alberta. Challenge North 2006: Today's Promise, Tomorrow's Reality was held in High Level from April 5 to April 7, 2006 and drew delegates from public and private sectors across the region. NADC also held several Regional Stakeholder Forums, three Opportunities Seminars, and a meeting with northern Members of the Legislative Assembly (MLAs) to gather input and provide information on current priorities.

Strategy 4.11

Partner with other jurisdictions, other ministries, northern and Aboriginal communities, business, and industry to promote northern opportunities and address challenges.

NADC continued to partner with key stakeholders, such as the Northern Alberta Reeves and Mayors Working Group, to address significant issues related to transportation and infrastructure, economic and tourism development, agriculture, forestry and housing. Inter-jurisdictional initiatives included ongoing work on the projects identified under the Alberta/Northwest Territories Memorandum of Understanding for Co-operation and Development and the Northern Development Ministers' Forum. NADC also investigated areas of potential co-operation with Saskatchewan and British Columbia and provided input and advice to the Northwest Corridor Development Corporation.

Strategy 4.12

Promote awareness of the significance of northern development to all Albertans.

NADC worked with the Branding the Peace initiative to profile Peace Region products and develop market niches. NADC also led priority projects to raise awareness among decision-makers of Canada's North and northern transportation infrastructure issues. In partnership with the *Rural Physician Action Plan*, NADC conducted two Health Forums which provided information on health funding formulas and available resources for physician recruitment and retention.

Strategy 4.13

In partnership with northern communities, business, industry, learning providers and students, support initiatives to increase northern skill levels.

NADC provided funding to students through the Northern Alberta Development Council Bursary Program, the Northern Student Supplement, the Bursary for Medical and Pharmacy Students, the Bursary Partnerships Program and the Northern Alberta Health Care Practicum Placement Pilot Program. The Northern Links Program, which encourages high school students to complete grade 12 and continue on to post-secondary education, enjoyed a successful year. A total of 59 organizations received funding for projects, including school divisions, Aboriginal schools and organizations and non-profit organizations. NADC also continued to provide input and advice to the Youth Apprenticeship Program and partnered with northern post-secondary institutions to conduct research related to education and employment trends.

Performance Measure 4.a

Number of communities participating in regional economic alliances and partnerships.

Regional Economic Development Alliances (REDAs) are not-for-profit companies or societies and encompass a geographical area defined by its members. REDA members are communities and other supportive stakeholders that collaborate to achieve economic prosperity based on a shared vision for the region's economic future. REDA membership is self-selecting and voluntary. Working together with elected community leaders, REDAs aim to grow and develop through regional co-operation and collaboration.

This measure monitors the number of communities participating in established REDAs and partnerships. The 2006-07 result of 264 is an increase compared to prior years' results. EII supported the ongoing development and operations of existing REDAs throughout Alberta and provided information and advice to other regional partnerships on developing REDAs in regions where no REDA existed.

Communities participating in regional economic alliances and partnerships

	2004-05	2005-06	2006-07	Target	Met Target
Number of communities participating in regional economic alliances and partnerships.	256	261	264	260	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 4.b

Percent of Regional Economic Development Alliance board members satisfied with Employment, Immigration and Industry staff support.

EII assists the rural REDAs (i.e., excluding Edmonton and Calgary) by providing advisory management services for their development and operations. This measure examines REDA board members' satisfaction with the Ministry's support to ensure continuous improvement in services provided to the alliances.

Board members' satisfaction level demonstrated an upward trend in the past three years. In 2006-07, 91% of REDA board members were satisfied with the Ministry's support, up from 89% in 2005-06 and exceeding the target of 88%. This reflects the Ministry's efforts in assisting REDA management boards with business planning, communications, financial management, project management, as well as investment and administrative functions.

REDA board members satisfied with EII staff support

	2004-05	2005-06	2006-07	Target	Met Target
Percent of Regional Economic Development Alliance board members satisfied with Employment, Immigration and Industry staff support.*	87%	89%	91%	88%	✓

* Result reflects board members' satisfaction with staff from the former Ministry of Alberta Economic Development.
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 4.c

Partner satisfaction with Northern Alberta Development Council's contribution in advancing northern interests.

NADC promotes attention and awareness of northern Alberta's unique opportunities and challenges, and works with stakeholder partners to advance sustainable northern development. The result of this measure is intended to help the council evaluate its progress in meeting its goals and to rate the satisfaction of partners who were involved in its activities.

In 2006-07, NADC strategically positioned itself and supported partners and stakeholders through several challenges and issues throughout the year. These challenges and issues included: the need to invest in northern infrastructure, follow-up on recommendations made by Challenge North 2006 participants, northern housing issues and initiatives to address northern skill levels. The current satisfaction rating of 7.7 out of 10 by partners and stakeholders was slightly lower than the target of 8.0 and a decrease of 0.5 from 2005-06, which could reflect the multiple challenges faced by northern Alberta.

Partner satisfaction with NADC contribution in advancing northern interests

	2004-05	2005-06	2006-07	Target	Met Target
Partner satisfaction with Northern Alberta Development Council's contribution in advancing northern interests.*	8.2	8.2	7.7	8.0	

* Average rating on a scale from 1 to 10 (1=very dissatisfied; 10=very satisfied).
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 4.d

Bursary return rate

The Northern Alberta Development Council (NADC) provides bursaries to Alberta students who entered the last two years of study in a full-time post secondary education program with employment potential in northern Alberta. The NADC Bursary includes a requirement for students to enter into a reciprocal agreement to work in northern Alberta upon completion of their education. This measure monitors students' compliance with their obligation to work in northern

Alberta after completing their education. It also indicates effectiveness of the NADC Bursary in ensuring students stay in or return to northern Alberta.

The 2006-07 result of 81% continued the upward trend observed over the past few years and was well above the target of 76%. This indicates the effectiveness of the NADC Bursary in ensuring economic development and prosperity of northern Alberta through its efforts to encourage students to stay in or return to the region.

Bursary return rate

	2004-05	2005-06	2006-07	Target	Met Target
Bursary return rate.	78%	80%	81%	76%	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

GOAL 5 Linked to Core Business 3 – Industry

Alberta has a fair, safe and healthy work environment

What it means

Fair, safe, healthy and productive workplaces help keep the Province of Alberta prosperous and competitive in the global economy, as well as increase the quality of life for Alberta workers. The Ministry helps employers and organizations develop positive labour-management relationships through better communication, problem solving and co-operation. The Ministry also promotes, regulates, monitors and informs employers and employees about workplace rights and responsibilities, health and safety, and fair and balanced employment standards.

Strategy 5.1

Support Alberta's workplaces to resolve workplace issues effectively by providing mediation, arbitration and facilitation services.

EII made 106 mediation appointments to assist employers and unions resolve collective bargaining disputes and 330 arbitration appointments to resolve differences arising from the application or interpretation of collective bargaining agreements. EII also provided advice, training and facilitation to members of the labour relations community to reduce the number of grievances and arbitrations in Alberta's unionized workforce.

The Ministry and the Alberta Labour Relations Board are exploring approaches and activities to ensure employers and employees in workplaces have the opportunity to learn strategies for communicating effectively as they approach first contract negotiations. EII also continues to approach unionized employers and the unions representing their employees regarding creating Workplace Relationship Agreements, which lay the foundation to enhance relationships in Alberta's unionized workplaces.

continued the downward trend of the LTC rate in recent years (2.78 in 2003, 2.54 in 2004 and 2.41 in 2005). An LTC rate of 2.35 represents about 16,500 fewer lost-time injuries each year and more than $280 million in direct annual claims cost savings to the WCB when compared to the 2000 rate of 3.4. It demonstrates the ongoing efforts of the Ministry to increase the awareness of workplace health and safety issues among employers and workers and to reduce the probability of workplace injury and disease through the Work Safe Alberta initiative.

Lost-Time Claim Rate

	2004	2005	2006	Target	Met Target
Lost-Time Claim Rate (LTC): number of lost-time claims per 100 person-years worked.	2.54	2.41	2.35	2.0	

Source: Workers' Compensation Board – Alberta and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 5.b

Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).

In 2006-07, 99% of the Collective Bargaining Agreements were settled without a work stoppage, which exceeded the target of 98% and was an improvement to the 2005-06 result of 98%. EII ensured this positive result by providing expertise and third-party impartial support to labour and management in resolving collective bargaining disputes, promoting innovative practices, promoting alternative dispute resolution, and developing revisions to the labour relations framework where necessary.

Alberta's vibrant economy added many challenges in the effective resolution of labour relation issues. Contributory factors included a shortage of skilled workers, a decrease in unemployment rates, an increase in inflation rates, and an increase in the level of business competition. These factors could have resulted in increased conflict in union-management relationships and likelihood of work stoppages. The current result of 99% was considered a major achievement given these added challenges.

Collective bargaining agreements settled without a work stoppage

	2004-05	2005-06	2006-07	Target	Met Target
Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).	99%	98%	99%	98%	✓

Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 5.c

Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards.

EII provides information on and regulates employment standards and practices for Alberta employers and employees. This is done through a combination of services and initiatives, including telephone counselling, educational programs, compliance, policy and standards (including permits and appeals) and partnerships. This measure examines the effectiveness of the Ministry's efforts and is an indicator of the level of compliance by employers. In 2006-07,

98% of Alberta employers had no complaints registered against them with Employment Standards. This result met the target of 97% and was consistent with prior years' results.

Employers with no complaints registered with Employment Standards

	2004-05	2005-06	2006-07	Target	Met Target
Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards.	98%	Data Collected Biennially	98%	97%	✓

Source: Statistics Canada and Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 5.d

Satisfaction of individuals and organizations which have used selected workplace programs and services.

The results for this measure are obtained biennially.

Satisfaction of individuals and organizations which have used selected workplace programs and services:

	2004-05	2005-06	2006-07	Target	Met Target
• Workplace Health and Safety Contact Centre	Data Collected Biennially	96%	Data Collected Biennially	n/a*	n/a*
• Employment Standards Contact Centre	Data Collected Biennially	96%	Data Collected Biennially	n/a*	n/a*

* 2006-07 was not a scheduled year to administer the survey, therefore targets are not identified.
Source: Employment, Immigration and Industry
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Alberta Labour Relations Board

Detailed Program Results Analysis and Discussion

GOAL 6 Linked to Core Business 3 – Industry

Alberta has a fair, equitable and stable labour relations environment

What it means

It is important to have an independent and impartial tribunal, responsible for the day-to-day application and interpretation of Alberta's labour laws. The Alberta Labour Relations Board (ALRB) processes applications and frequently conducts hearings on matters arising from both private and public employment sectors. Some, but not all of the issues that come before the ALRB include certifications, revocations, various votes, bargaining unit determinations and unfair labour practices which fall under the *Labour Relations Code*, *Public Service Employee Relations Act* and *Police Officers Collective Bargaining Act*.

Strategy 6.1

Provide timely, effective and efficient services to the Alberta labour relations community.

ALRB continued to book hearing dates as soon as possible once applications had been received. Labour Relations Officers and Management used reports from ALRB's extensive case management system to monitor the timeliness of its processes and to re-direct resources to those files that required them.

Strategy 6.2

Promote use of Alternative Dispute Resolution methods to solve issues before reaching formal hearings.

All Labour Relations Officers and Adjudicators continued to obtain training in the use of Alternative Dispute Resolution methods through a combination of regular academic course work and observing the methods used by ALRB's senior staff. The Resolution Conference initiative continued to provide settlement opportunities for the parties using ALRB's adjudicative staff.

Strategy 6.3

Make clear and timely decisions for the parties to quickly implement resolutions.

ALRB Adjudicators had access to case management reports that identify potentially late decisions. This allowed for the adjustment of the hearing time versus writing time balance and enabled them to meet the target.

Performance Measure 6.a

Average number of days from the acceptance of an application to the date of the first hearing.

ALRB improved its performance in 2006-07 by 12% compared to last year. The major reason for this decrease in processing time arises from one anomaly (one file with four matters) in 2005-06 which had a considerable impact on our results in this measure. The complexity of the four matters on this file (compared to 567 matters over the reporting period) changed the average from 69.7% to 74.9%, a difference of 5.2 percentage points.

A change in methodology resulting from the identification of an error in calculating the baseline date after the 2003-04 annual report resulted in significantly higher numbers for this measure (see page 90 of the 2004-05 annual report, performance measure 8.a). ALRB considered changing its targets to accommodate the new methodology but thought it could meet the old targets by revising the case management system reports to better identify and track those periods of time when the file is on hold at the parties' request while still tracking the time when ALRB is in control of the file. Combined with a closer monitoring of files while in progress this change was expected to help ALRB meet the targets identified in the business plan. This has not been the case and ALRB set the target for this performance measure in 2007-08 at 70 days in the most recent Business Plan.

Average number of days for application acceptance

	2004-05	2005-06	2006-07	Target	Met Target
Average number of days from the acceptance of an application to the date of the first hearing.	78	75	67	44*	

* ALRB set the target for this performance measure in 2007-08 at 70 days in the most recent business plan.
Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 6.b

Percentage of applications, with Board involvement, settled before reaching a formal hearing.

ALRB exceeded its target by substantial amounts in the last three fiscal years (9 percentage points for 2006-07, 18 percentage points for 2005-06 and 26 percentage points for the fiscal year 2004-05). ALRB believes that these higher than average settlement rates are a short term anomaly. In 2006-07 one process file had 114 matters related to it which is much higher than average. Without this file ALRB would have achieved a settlement rate of 58%, much closer to our historical settlement rates of the 2001-02 to 2003-04 fiscal years where ALRB recorded results of 55%, 57% and 55%.

Percentage of applications settled

	2004-05	2005-06	2006-07	Target	Met Target
Percentage of applications, with Board involvement, settled before reaching a formal hearing.*	79%	73%	65%	56%	✓

* Certifications and Revocations are not included as they are mandated to go to hearing if applicant demonstrates sufficient statutory requirements. However, it is common for the numerous and sometimes complicated issues relating to these applications to benefit from ALRB settlement efforts.
Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 6.c

Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s).

ALRB recorded an 18 percentage point increase in the percentage of decisions rendered within 90 days from 2005-06 to 2006-07. The major reason for this large increase was the fact that 2005-06 was an abnormally bad year (actual of 62%) for this measure, well below previous years (2003-04, 71%; 2004-05, 76%). In 2005-06 the high profile Lakeside Packers dispute consumed a great deal of additional adjudication resources which impacted the completion times of a number of non-associated decisions. The dispute ran from July to November of 2005 and at various times all of ALRB's full-time adjudicators were assigned to it. Due to the volatile nature of the dispute a great deal of the hearings were determined to be urgent matters and were given the highest priority by ALRB, temporarily moving other hearings and decisions to the background.

Percentage of decisions rendered within 90 calendar days

	2004-05	2005-06	2006-07	Target	Met Target
Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s).	76%	62%	80%	85%	

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Performance Measure 6.d

Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s).

The number of decisions rendered 180 calendar days from the completion of the hearing(s) stayed the same as the previous fiscal year at 88%. ALRB believes that the 100% target is an appropriate one and will continue to strive to achieve that goal.

Percentage of decisions rendered within 180 calendar days

	2004-05	2005-06	2006-07	Target	Met Target
Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s).	95%	88%	88%	100%	

Source: Alberta Labour Relations Board Case Management System
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Appeals Commission for Alberta Workers' Compensation

Detailed Program Results Analysis and Discussion

GOAL 7 Linked to Core Business 3 – Industry

Alberta has an effective mechanism for the final appeal of Workers' Compensation Board decisions

What it means

Having an independent and impartial body to hear appeals of decisions made by the Workers' Compensation Board – Alberta (WCB) is essential. This final level of appeal is important for workers, employers and the WCB as well. The fair and consistent application of legislation, policy and principals of natural justice is required to ensure solid, defendable decisions.

Strategy 7.1

Provide a timely appeal service.

Over the past fiscal year, the Appeals Commission for Alberta Workers' Compensation (Appeals Commission) introduced a number of revised procedures to ensure that parties are prepared to proceed through the steps required to process an appeal, to eliminate unnecessary delays in processing and to more accurately reflect the actual time used in processing an appeal.

Strategy 7.2

Provide fair decisions on appeals applications.

The Appeals Commission, an independent and impartial body, ensures solid, defendable decisions by the consistent application of legislation, policy and the principles of natural justice.

Performance Measure 7.a

Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized: (Standard and Complex Appeals)

Harmonizing staffing with appeal workload combined with the changes in administrative processing and requirements introduced in the 2006-07 fiscal year have had a positive impact on decreasing the number of days taken to process an appeal – bringing the Appeals Commission to within two days of the target set for standard appeals and exceeding the target set for complex appeals by five days.

Average number of days of processing time to finalize the appeal

	2005-06	2006-07	Target	Met Target
Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized:				
• Standard Appeals	214*	172	170	
• Complex Appeals	276*	225	230	✓

* 2005-06 timelines have been restated to reflect correction as a result of correcting a calculation formula

Source: Appeals Commission Appeals Management System (AMS)

Note: For additional information see Performance Measures Sources and Methodologies – Appendix E

Performance Measure 7.b

Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.

In the past fiscal year, 98% of the decisions issued were not challenged, or if they were, they were upheld upon review by the Courts, the Ombudsman or the Appeals Commission on its Own Motion. Over the past several years, results in this area have remained relatively consistent. Ongoing effort will be placed on continuing to enhance the competencies of the Appeals Commission through training and recruitment initiatives.

Percentage of the total number of Appeals Commission decisions not challenged

	2005-06	2006-07	Target	Met Target
Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.	98.3%	98.0%	Greater than 98.0%	✓

Source: Appeals Commission Appeals Management System (AMS)
Note: For additional information see Performance Measures Sources and Methodologies – Appendix E.

Program Support – Additional costs totaling $11.0 million were incurred primarily as a result of the targeted one-time spending required for the Alberta Works Enterprise Solution project that is scheduled to replace existing income support legacy systems. Higher than budgeted manpower costs resulting from negotiated salary settlements and expenses for the replacement of computer equipment that no longer meets department standards or business needs were also incurred.

Workplace Investments – The program promotes fair, safe, healthy and productive workplaces through developing positive labour-management relationships, regulating employment standards and practices, and communicating with employers and employees. This continuing focus resulted in an over expenditure of $0.2 million.

Industry, Regional and Rural Development – Actual spending on Industry activities was $0.9 million more than budgeted. This resulted from increased spending on initiatives to address the labour force shortfall in the province.

Workers' Compensation Appeals – Costs were $0.9 million less than budgeted due to position vacancies and unrealized amortization.

Capital Investments – There was an increase in one-time capital costs of $5.1 million due to the purchase of licenses to support the Alberta Works Enterprise Solution information technology project.

Statutory Expenses – Are valuation adjustments, such as provision for doubtful accounts, vacation pay liability, provision for reduction of investments to market, and obligations under guarantees that do not represent payments of public money.

- The provision for vacation pay had an increased adjustment of $1.4 million due to a higher than budgeted accrued vacation pay liability.

Future Challenges

Financial Analysis by Core Business

The following discussion of Ministry expenses is broken out by core business. It provides the budgeted and actual spending for 2006-07 as well as actual spending for 2005-06 under EII's new core business structure. For further information on EII's core business structure, see Ministry Organization Changes 2006-07 (pages 28-31).

Core Business (in thousands)	2006-07 Original Budget [1]	2006-07 Actuals	2005-06 Actuals (comparable)
Employment	668,127	655,944	670,140
Immigration	54,346	58,080	49,839
Industry	175,067	173,952	64,635
Total Ministry Core Business Expense	**897,540**	**887,976**	**784,614**

(1) Authorized Supplementary is not included in the Core Business Original Budget

COMPARISON OF 2006-07 BUDGET TO 2006-07 ACTUALS BY CORE BUSINESS

- Employment expenses were $12.2 million lower than budget primarily due to economic conditions where people chose to work over enrolment in employment and training programs. A decrease in the overall caseload and lower than budgeted medical costs also factored into under spending in this area.

- Immigration spent $3.7 million more than budget due to the expansion of the Provincial Nominee Program and increased spending on initiatives to address the labour force shortfall in the province.

- Actual spending on Industry activities was $1.1 million less than budgeted due to lower than anticipated program development and support costs.

COMPARISON OF 2006-07 ACTUALS TO 2005-06 COMPARABLE ACTUALS BY CORE BUSINESS

- The decrease of $14.2 million from 2005-06 in Employment was primarily due to extraordinary expenditures that were incurred in 2005-06 for the Roth/Fifield Class-action lawsuit and a decrease in the overall income support caseload in 2006-07.

- Increased actual expenses in Immigration of $8.2 million were the result of the expansion of the Provincial Nominee Program and increased spending on initiatives to address the labour force shortfall in the province.

- Increased expenditures in Industry of $109.3 million were primarily the result of a one-time payment of $99.8 million to establish Rural Alberta's Development Fund, and the costs associated with the new Workplace Innovation and Continuous Improvement Branch and the Employment Standards Awareness Campaign.

Financial Analysis by Core Business

The following discussion of Ministry expenses is broken out by core business. It provides the budgeted and actual spending for 2006-07 as well as actual spending for 2005-06 under EII's new core business structure. For further information on EII's core business structure, see Ministry Organization Changes 2006-07 (pages 28-31).

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Future Challenges

This section provides a glimpse into the challenges and opportunities that Employment, Immigration and Industry will face in the future.

Alberta has the strongest economy in Canada and has recently been referred to as the economic engine of the nation. In 2006, Alberta's economy grew at its fastest rate since 1993, leading Canadian provinces with 6.8% growth. Net migration to the province also grew at a blistering pace, as Alberta welcomed a record 63,284 people from across Canada and an additional 22,971 newcomers from other countries. Mega projects to develop the oilsands and build oil and gas pipelines were either announced or underway and money was invested in infrastructure across the province. The unemployment rate continued to be the lowest in the country and the labour force participation rate continued to be the highest.

A key to sustaining Alberta's economy will be ensuring there is an adequate supply of skilled, innovative and adaptable Albertans in the labour force. The province's changing demographics present an opportunity to help address current and projected labour market pressures caused by the booming economy. Although Alberta's population is aging, projections suggest that the average age of Albertans will continue to be the lowest in the country. In recent years, more people from other Canadian provinces have moved to Alberta than any other province and immigration to Alberta from other countries is on the rise as well. As the fastest growing segment of Alberta's population, Aboriginal Peoples will play a key role in Alberta's labour force. Providing increased learning and training opportunities for Alberta's First Nations, Métis, and Inuit Peoples will enhance their contribution to Alberta's growing economy, while strengthening Aboriginal communities and reducing social dependency rates.

Promoting collaboration and innovation to expand upon Alberta's existing energy strengths, while developing and supporting a knowledge based economy will also be essential to driving Alberta's "economic engine" forward. Increased productivity in all sectors will be critical to ensuring Alberta's continued growth and competitive advantage. Strong private and public sector investment is contributing towards this and also towards continued growth in employment and income. Alberta's present economy is generating an environment that can support a high quality of life for Albertans.

Regardless of the state of the economy, whether it's booming or declining, there are demands placed on Employment, Immigration and Industry (EII) programs and services. Currently, there are high expectations to address skill and labour shortages and to ensure all Albertans and communities benefit from Alberta's prosperity. There are also increasing demands being placed on Alberta's workers, which heighten the need for programs and services that promote fair, safe and healthy workplaces. With significant increases in the cost of living and doing business in Alberta, it will be more important than ever to: address growth pressures; develop plans and programs that facilitate business innovation and investment; help streamline administrative processes; and address infrastructure challenges in the province.

Alberta's strong economic environment has given rise to both challenges and opportunities for EII as follows:

A High Quality of Life for all Albertans in a Vibrant and Dynamic Economy

The rapid economic growth of the province is creating new social and economic challenges that may affect Alberta's high quality of life both now and in the future. The gap between the wealthiest and poorest families is becoming an issue in Alberta, despite the province's tremendous economic growth. The ability for Albertans who are unemployed or on fixed incomes, including seniors and persons with disabilities to address their daily needs is becoming more challenging. As the cost of living continues to increase, the impact is being felt not only by Albertans with lower incomes, but also by middle class Albertans. The rising costs of necessities, including the availability and affordability of housing are just some of the challenges facing all Albertans.

However, a prosperous economy also brings many opportunities such as higher income potential. EII is striving to help all Albertans access existing and emerging opportunities. By working with partners such as employers, communities, agencies, training providers and other government departments, EII will help Albertans, especially those under-represented in the work force to continue to increase their skill levels, obtain and maintain employment and achieve the career of their dreams. In addition, EII will continue to actively seek better ways to help the marginalized and working poor improve their quality of life. EII will further integrate economic and social policy planning across government departments to ensure all Albertans share in the province's economic growth.

A Skilled and Productive Labour Force

Skills required in the workplace are constantly changing due to the rapid pace of technological change and emerging industries. Continued growth, demographic shifts and tightening labour markets have impacted every industry sector. Over the next 10 years, the demand for workers is expected to exceed what Alberta can supply by approximately 109,000. At the same time, there are early indications of people leaving the province due to: Alberta's increasing cost of living; the "cashing-out" of profits and equity in homes; and the growing number of marketing campaigns from other provinces targeting displaced workers to come back home.

EII is working to ensure Alberta not only attracts a skilled workforce, but places a greater emphasis on retaining and developing the skill sets of workers in the province. This must be done while also recognizing the needs of an increasingly diverse workforce. Newcomers bring many of the skills needed to enhance our labour force. By marketing the province as a great place to live, work and do business, EII will attract people from other provinces and countries and help settle them into Alberta's communities so that they call Alberta "home."

Although many immigrants coming to Alberta are typically young, well-educated and energetic they continue to face challenges in entering the workforce and in fully participating in community life. Similarly, younger, unattached men working in isolated communities far from home are at a higher risk for increasing social problems, such as substance abuse. EII will continue to work with the Government of Canada and local communities to ensure settlement services assist newcomers to integrate into the social fabric of the province. EII will also work with immigrants to address their challenges in finding employment, obtaining recognition of relevant foreign

experience and credentials, and overcoming language barriers and the lack of Canadian work experience.

Sustainable Economic Growth and Improving Innovation Capacity and Performance

Alberta continues to experience unprecedented economic expansion. However, with such growth comes a variety of challenges including: cost overruns, improving infrastructure, enhancing innovation and productivity, and pressures related to the province's dependence on the volatile commodity-based energy sector. Rising inflationary pressures in Alberta are contributing to an environment susceptible to an economic correction, impacting investors and industry throughout the province. Continued strength in the energy sector puts intense pressure on non-energy sectors, such as agri-food and forestry, to remain competitive. Labour force shortages continue to cascade down through the workforce from the energy sector, and may tighten the labour market further for low and unskilled jobs.

EII has opportunities to address these issues and unleash innovation by increasing research and development, attracting venture capital, creating more jobs that maximize value, expanding industry capacity and promoting greater economic diversification. In addition, EII will continue to work with industry and businesses to assist with their labour force planning, help improve their competitiveness and introduce innovative technologies and processes to increase productivity. EII is well-positioned to respond to changing economic conditions given its ability to adjust programs quickly and deliver responses through its extensive network of regional offices throughout the province. EII will take a lead role in anticipating and planning for future challenges so the province is positioned to address any potential risk to its economic growth.

Sharing Economic Opportunities Throughout Alberta

While there are abundant natural resources and economic opportunities in Alberta, not all parts of the province benefit equally from Alberta's continuing prosperity. Urbanization in Alberta is continuing at an unprecedented pace. With it comes widening gaps between urban and rural Alberta in terms of economic development, service provision, connectivity, health status and educational attainment. To assist with building vibrant and strong communities throughout the province, it is important to: promote rural, regional and northern economic development; build community capacity and infrastructure; expand learning and skill development opportunities; and provide connectivity to rural Albertans through high speed Internet. EII will work with rural communities to support locally developed initiatives, plans and projects and help improve rural access to information through technology, so Albertans enjoy the benefits of the province's economic growth, no matter where they live.

Fair, Safe and Healthy Workplaces

Fair, safe and healthy workplaces help keep the province prosperous while ensuring the well-being of Alberta's labour force. As many new and inexperienced workers enter the labour force, there is a greater need for EII to provide tools to educate employers and employees about health and safety in the workplace. EII will continue to develop and monitor workplace health and safety, employment standards and labour relations legislation, which keep workplaces fair and safe within a productive and prosperous economy. The Temporary Foreign Worker program has also been a means to address Alberta's growing labour and skills shortages and EII is working to ensure employers and temporary foreign workers are aware of their rights and obligations.

In addition to the above challenges facing EII, challenges unique to the Alberta Labour Relations Board (ALRB) and the Appeals Commission for Alberta Worker's Compensation (Appeals Commission) are as follows:

Alberta Labour Relations Board

In the coming 2007-08 fiscal year the Alberta Labour Relations Board will continue to fulfill its obligations to resolve issues arising from Alberta's labour relations legislation. As well, ALRB will focus on achieving higher efficiencies relating to its application processing, hearing scheduling and decision-writing timelines.

Appeals Commission for Alberta Workers' Compensation

The Appeals Commission's objectives are to reduce the processing times for appeals and maintain the excellent quality of its decisions and processes. To achieve these objectives a number of challenges must be met, which include: a fluctuating workload; balancing timeliness and quality; and accessibility and transparency.

Next Steps

Within this environment of rapid growth and change, EII recognizes that Alberta's continued and expanding prosperity requires action to address a number of challenges. In its 2007-2010 Business Plan, EII identified that it will continue to serve Albertans in a way that supports opportunities for a better quality of life and to ensure that opportunities created by our province's economic prosperity and growth benefit all Albertans across the province.

Ministry Financial Information

Employment, Immigration and Industry

Ministry Financial Information

- Ministry Financial Analysis and Discussion
- Financial Statements
  - Auditor's Report on Financial Statements
  - Supplementary Ministry Financial Information
- Workers' Compensation Board Financial Statements

Ministry Financial Analysis and Discussion

This section summarizes financial results and results of operations. It also analyzes financial results by program and core business.

ACCOUNTABILITY

Financial results of the Ministry of Employment, Immigration and Industry for the year ended March 31, 2007 include the activities of the Alberta Labour Relations Board, Workers' Compensation Appeals and the Department of Employment, Immigration and Industry. More detail and information can be found in the Ministry's financial statements included in the Annual Report, beginning on page 110.

Financial Results

(In thousands)

	2007				2006
	Original Budget	Authorized Supplementary	Authorized Budget	Actual	Actual
Revenue					
Transfers from Government of Canada	$ 218,010	-	$ 218,010	$ 190,478	$ 209,326
Internal Government Transfers	12,769	-	12,769	12,769	11,769
Fees, Permits and Licences	300	-	300	666	313
Other Revenue	27,333	-	27,333	34,247	26,702
	258,412	-	258,412	238,160	248,110
Expenses					
Voted:					
Ministry Support Services	22,139	-	22,139	21,225	21,558
People and Skills Investments	705,515	-	705,515	694,824	700,424
Workplace Investments	28,763	-	28,763	28,918	26,540
Industry, Regional and Rural Development	128,579	2,235 (a)	130,814	129,881	23,758
Labour Relations and Adjudication	2,924	-	2,924	3,034	2,980
Workers' Compensation Appeals	9,596	-	9,596	8,702	8,006
Program Operating Expense	897,516	2,235	899,751	886,584	783,266
Program Capital Investment	3,798	-	3,798	8,871	3,485
Voted Expenses and Capital Investments	901,314	2,235	903,549	895,455	786,751
Statutory Expenses:					
Valuation Adjustments	24	-	24	1,392	1,348
	901,338	2,235	903,573	896,847	788,099
Net Operating and Capital Results	**$ (642,926)**	**$ 2,235**	**$ (645,161)**	**$ (658,687)**	**$ (539,989)**

(a) A supplementary Estimate was approved August 16, 2006 to address labour force shortfall.

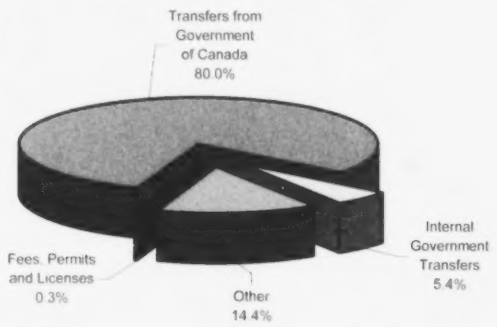
Results of Operations

The Ministry of Employment, Immigration and Industry balanced its 2006-07 authorized budget. As reported in the 2006-07 Government of Alberta Annual Report, the Ministry ended the year spending $8.1 million less than the authorized budget of $903.5 million.

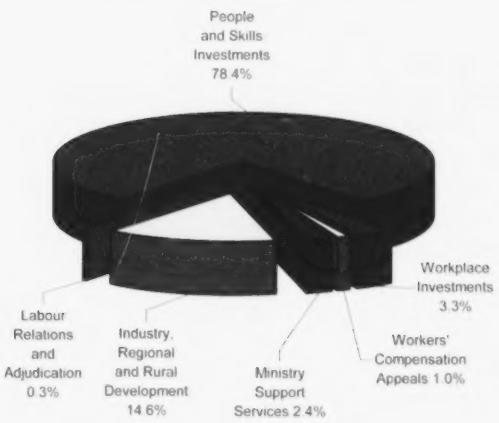
REVENUES

The Ministry's 2006-07 revenues were $238.2 million, approximately $10.0 million lower than the previous year. Block funding from the Government of Canada for provincial "social service" programs was $18.8 million less than in 2005-06. This decrease was partially offset by an increase of $4.5 million from the Workers' Compensation Board to fund Workplace Health and Safety programs and a reduction of $2.6 million in the amount set aside for settlement of the Roth/Fifield Class-action lawsuit.

Source of Actual Revenue - $238 million



Actual Operating Expenses by Program
$887 million


People and Skills Investments 78.4%
Workplace Investments 3.3%
Workers' Compensation Appeals 1.0%
Ministry Support Services 2.4%
Industry, Regional and Rural Development 14.6%
Labour Relations and Adjudication 0.3%

EXPENSES

The Ministry's annual spending increased $103.3 million from 2005-06. The increase in spending was primarily due to a one-time payment of $99.8 million to establish the Rural Alberta's Development Fund. The remaining increase was attributable to spending on programs designed to address the labour force shortfall in the province and costs associated with the Alberta Works Enterprise Solution project that is scheduled to replace existing income support legacy systems.

Financial Analysis by Program

PROGRAM COMPARISON OF 2006-07 AUTHORIZED BUDGET TO ACTUALS

Following are explanations of the major program variances.

People and Skills Investments

People Investments – These programs support Albertans by providing health benefits, child support services and financial assistance to help Albertans improve their skills and employability, and be as independent as possible. Lower than budgeted caseloads and costs in this area have resulted in an under expenditure of $7.6 million.

- **Income Supports** – Funds are invested to provide benefits to individuals and their families when their earnings are insufficient to provide for basic necessities, if they are temporarily unavailable for employment or training programs, or when they are unable to work due to persistent health problems or multiple barriers to employment. Spending was $1.5 million lower than budgeted due to decreased caseloads. This was partially offset by increases in non-medical costs such as emergency shelter benefits and higher than anticipated off-reserve contracts.

- **Health Benefits** – Premium free coverage is provided for child and adult health benefits for children in families with lower incomes who apply for the benefit, and to former Expected to Work parents and Not Expected to Work Income Support clients who leave the program for employment. Clients who leave the Assured Income for the Severely Handicapped program for employment or receive Canada Pension Plan - Disability income are also eligible. Lower than anticipated caseloads and costs in this area have resulted in an under expenditure of $6.1 million.

Skills Investments – These programs help support Albertans who continue to acquire the knowledge and skills they need to identify and participate in future training and employment opportunities, and to be self-reliant and contributing members of society. Alberta's robust economy resulted in lower numbers of people accessing many of the training programs and a corresponding under expenditure of $14.0 million occurred in this area.

- **Career Development Services and Youth Connections** – An increase in Job Placement Services, career assistance services and Youth Connection services resulted in over expenditures of $7.0 million.

- **Basic Skills and Academic Upgrading** – A reduction in learner enrolments in academic upgrading, likely due to the favourable economic conditions in Alberta and the department's policy change to promote job skills training, resulted in under expenditures of $7.8 million.

- **Job Skills Training and Self Employment** – Similar to other employment training programs, decreased enrolments in occupational, apprenticeship, self-employment training, First Nations training, and lower than anticipated utilization of the Canadian Agricultural Skills Service resulted in under expenditures of $14.6 million.

Financial Statements

For the year ended March 31, 2007

- Auditor's Report
- Statement of Operations
- Statement of Financial Position
- Statement of Cash Flows
- Notes to the Ministry Financial Statements
- Schedule 1 – Revenues
- Schedule 2 – Dedicated Revenue Initiatives
- Schedule 3 – Expense Directly Incurred – Detailed by Object
- Schedule 4 – Budget
- Schedule 5 – Comparison of Expenses – Directly Incurred and Capital Investments by Element to Authorized Budget
- Schedule 6 – Salary and Benefits Disclosure
- Schedule 7 – Related Party Transactions
- Schedule 8 – Allocated Costs
- Supplementary Ministry Financial Information
  - Ministry Expense by Function
  - Statement of Remissions, Compromises and Write-Offs

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Employment, Immigration and Industry as at March 31, 2007 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
May 18, 2007

Fred J. Dunn FCA
Auditor General

Statement of Operations

For the year ended March 31, 2007

(in thousands)

	2007 Budget (Schedule 4)	2007 Actual	2006 Actual Restated (Note 3)
Revenue (Schedules 1 and 2)			
Transfers from Government of Canada	$ 218,010	$ 190,478	$ 209,326
Internal Government Transfers	12,769	12,769	11,769
Fees, Permits and Licences	300	666	313
Other Revenue	27,333	34,247	26,702
	258,412	238,160	248,110
Expenses Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	22,139	21,225	21,558
People and Skills Investments	705,515	694,824	700,424
Workplace Investments	28,763	28,918	26,540
Industry, Regional and Rural Development	128,579	129,881	23,758
Labour Relations and Adjudication	2,924	3,034	2,980
Workers' Compensation Appeals	9,596	8,702	8,006
	897,516	886,584	783,266
Statutory			
Valuation adjustments (Note 6)			
Provision for Doubtful Accounts and Vacation Pay	24	1,392	1,348
	897,540	887,976	784,614
Net Operating Results	$ (639,128)	$ (649,816)	$ (536,504)

The accompanying notes and schedules are part of these financial statements.

Statement of Financial Position

As at March 31, 2007

(in thousands)

	2007	2006 Restated (Note 3)
Assets		
Cash	$ 3,918	$ 404
Accounts Receivable (Note 4)	4,462	4,054
Advances (Note 5)	5,158	5,016
Tangible Capital Assets (Note 7)	15,550	9,780
	$ 29,088	$ 19,254
Liabilities		
Accounts Payable and Accrued Liabilities	$ 84,790	$ 69,085
	$ 84,790	$ 69,085
Net Liabilities		
Net Liabilities at Beginning of Year	$ (49,831)	$ (40,651)
Net Operating Results	(649,816)	(536,504)
Net Transfers from General Revenues	643,945	527,324
Net Liabilities at End of Year	$ (55,702)	$ (49,831)
	$ 29,088	$ 19,254

The accompanying notes and schedules are part of these financial statements.

Statement of Cash Flows

For the year ended March 31, 2007

	(in thousands) 2007	2006 Restated (Note 3)
Operating Transactions		
Net Operating Results	$ (649,816)	$ (536,504)
Non-cash items included in Net Operating Results		
Amortization (Schedule 3)	2,231	2,299
Valuation Adjustments	1,392	1,348
	(646,193)	(532,857)
Increase in Accounts Receivable [a]	(442)	(683)
(Increase) Decrease in Advances	(142)	78
Increase in Accounts Payable [b]	14,347	9,520
Cash Applied to Operating Transactions	(632,430)	(523,942)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(8,871)	(3,485)
Proceeds from disposal	20	-
Transfer of Tangible Capital Assets to Other Ministries (Schedule 7)	850	217
Cash Applied to Capital Transactions	(8,001)	(3,268)
Financing Transactions		
Net Transfer from General Revenues	643,945	527,324
Increase in Cash	3,514	114
Cash, Beginning of Year	404	290
Cash, End of Year	$ 3,918	$ 404

[a] Adjusted for provision for doubtful accounts.

[b] Adjusted for provision for vacation pay.

The accompanying notes and schedules are part of these financial statements.

Notes to the Ministry Financial Statements

For the year ended March 31, 2007

NOTE 1 Authority and Purpose

The Ministry of Employment, Immigration and Industry operates under the authority of the *Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.*

The Ministry of Employment, Immigration and Industry contributes to the Alberta Advantage by working with partners to:

- Ensure all Albertans share in, and contribute to the economic prosperity of Alberta
- Attract workers to the province
- Ensure that Alberta has a competitive and sustainable economy
- Ensure that Alberta has strong and vibrant regions and rural communities
- Ensure that Alberta has a fair, safe and healthy workplace and that
- Alberta has a fair, equitable and stable labour relations environment.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

(a) Reporting Entity

The reporting entity is the Ministry of Employment, Immigration and Industry, for which the Minister of Employment, Immigration and Industry is accountable. The Ministry Annual Report provides a more comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of the Ministry are deposited into the Fund and all cash disbursements made by the Ministry are paid from the Fund. Net transfer from General Revenues is the difference between all cash receipts and all cash disbursements made.

(b) Basis of Financial Reporting

REVENUES

All revenues are reported using the accrual method of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)

Internal Government Transfers
Internal Government transfers are transfers between entities within the Government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Transfers from Government of Canada
Transfers from the Government of Canada are recognized as revenue when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made. Overpayments relating to Canada Social Transfer entitlements and transfers received before revenue recognition criteria have been met are included in accounts payable and accrued liabilities.

DEDICATED REVENUE

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues must be shown as credits or recoveries in the details of the Government Estimates for a supply vote. If budgeted revenues are not fully realized, spending is reduced by an equivalent amount. If actual dedicated revenue exceeds budget, the Department may, with the approval of Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Department's dedicated revenue initiatives.

EXPENSES

Directly Incurred
Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses also include:

- amortization of tangible capital assets
- pension costs which comprise the cost of employer contributions for current service of employees during the year
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, and long-term disability.

Incurred by Others
Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

NOTE 2 Summary of Significant Accounting Policies and Reporting Practices (Continued)

ASSETS

Financial assets of the Ministry are limited to financial claims such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000.

LIABILITIES

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in sacrifice of economic benefits in the future.

NET LIABILITIES

Net liabilities represent the difference between the carrying value of assets held by the Ministry and its liabilities.

MEASUREMENT UNCERTAINTY

Measurement uncertainty exists when there is a significant variance between the amount recognized and another reasonably possible amount. The nature of uncertainty, for Canada Social Transfers, can arise from changes in the base allocations which are primarily a result of updated personal and corporate tax information.

Included in Accounts Payable and Accrued Liabilities is an estimate of the eventual settlement resulting from a class-action lawsuit in the amount of $4.1 million, which is subject to measurement uncertainty. Depending on the actual number and type of claims filed, the actual amount of the settlement could differ from that estimated.

VALUATION OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the amount of consideration agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of cash, accounts receivable, advances, accounts payable and accrued liabilities are estimated to approximate their book values.

NOTE 3 Program Transfers/Government Reorganization

The Ministry of Employment, Immigration and Industry was established as a result of restructuring of government ministries announced on December 13, 2006 and other transfer of responsibilities to and from other ministries. Comparatives for 2006 have been restated as if the Ministry had always been assigned with its current responsibilities.

Net liabilities on March 31, 2005 are made up as follows: (in thousands)

Net liabilities as previously reported	$ 48,293
Transfer to Ministry of Service Alberta	(10,500)
Transfer from Ministry of Economic Development	2,195
Transfer from Ministry of Advanced Education and Technology	88
Transfer from Ministry of Agriculture and Food	153
Transfer from Ministry of International, Intergovernmental and Aboriginal Relations	422
Net liabilities as restated	$ 40,651

Net operating results for the prior year have been restated as follows: (in thousands)

Net operating results as previously reported at March 31, 2006	$ (531,830)
Transfer to Ministry of Service Alberta	20,685
Transfer from Ministry of Economic Development	(20,713)
Transfer from Ministry of Advanced Education and Technology	(697)
Transfer from Ministry of Agriculture and Food	(1,203)
Transfer from Ministry of International, Intergovernmental and Aboriginal Relations	(2,013)
Transfer from Tourism, Parks, Recreation and Culture	(122)
Transfer from Executive Council	(611)
Net operating results as restated	$ (536,504)

NOTE 4 Accounts Receivable
(in thousands)

	2007			2006 (Restated)
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts receivable	$ 4,327	$ (199)	$ 4,128	$ 3,753
Refunds from suppliers	334	-	334	301
	$ 4,661	$ (199)	$ 4,462	$ 4,054

Accounts receivable are unsecured and non-interest bearing.

NOTE 5 Advances
(in thousands)

	2007	2006 (Restated)
Travel advances	$ 28	$ 16
Program advances	5,130	5,000
	$ 5,158	$ 5,016

Travel advances are provided to Ministry employees to cover the cost of business travel. Program advances are for emergent benefits for clients.

NOTE 6 Valuation Adjustments
(in thousands)

	2007	2006 (Restated)
Provision for doubtful accounts	$ 34	$ 21
Provision for vacation pay	1,358	1,327
	$ 1,392	$ 1,348

NOTE 7 Tangible Capital Assets
(in thousands)

	Equipment	Systems Development and Enhancements	2007 Total	2006 (Restated) Total
Estimated Useful Life	3 to 5 years	5 to 7 years		
Historical Cost [a]				
Beginning of year	$ 721	$ 27,989	$28,710	$ 25,830
Additions	112	8,759	8,871	3,485
Disposals	(142)	(864)	(1,006)	(605)
	691	35,884	36,575	28,710
Accumulated Amortization				
Beginning of year	605	18,325	18,930	17,020
Amortization expense	74	2,157	2,231	2,299
Disposals	(136)	-	(136)	(389)
	543	20,482	21,025	18,930
Net Book Value at March 31, 2007	$ 148	$ 15,402	$ 15,550	
Net Book Value at March 31, 2006	$ 115	$ 9,665		$ 9,780

[a] Historical cost includes work-in-progress at March 31, 2007 totaling $9,591 and is comprised of systems development and enhancements (2006 - $6,165).

NOTE 8 Contractual Obligations
(in thousands)

At March 31, 2007, the Ministry has the following contractual obligations:

	2007	2006(Restated)
Service Contracts	$ 41,373	$ 27,956
Long-Term Leases	883	1,769
	$ 42,256	$ 29,725

The aggregate amounts payable for the unexpired terms of the contractual obligations are as follows:

	Service Contracts	Long-term Leases
2008	$ 18,910	$ 553
2009	14,439	293
2010	6,314	37
2011	1,710	-
2012	-	-
	$ 41,373	$ 883

NOTE 9 Contingent Liabilities

At March 31, 2007, the Ministry is a defendant in ten legal claims (2006 restated – eight legal claims). These claims have specified amounts totaling $17.9 million (2006 restated – $13.5 million). Eight claims amounting to $13.8 million are covered by the Alberta Risk Management Fund. The resulting loss, if any, from these claims cannot be determined.

NOTE 10 Funds Under Administration
(in thousands)

The Ministry administers funds which are managed for the purpose of the Employment Standards Trust Fund. These amounts have not been recorded in the Ministry's Financial Statements. As at March 31, 2007, funds under administration were as follows:

	2007			2006(Restated)
	Total Assets	Total Liabilities	Net Assets	Net Assets
Employment Standards Trust Fund	$ 366	-	$ 366	$ 295

NOTE 11 Defined Benefit Plans
(in thousands)

MULTI-EMPLOYER PENSION PLANS

The Ministry participates in the following multi-employer pension plans: Management Employees Pension Plan, Public Service Pension Plan and Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of $11,997 for the year ending March 31, 2007 (2006 – restated $10,426).

At December 31, 2006, the Management Employees Pension Plan reported a deficiency of $6,765 (2005 – $165,895) and the Public Service Pension Plan reported a surplus of $153,024 (2005 deficiency of $187,704). At December 31, 2006, the Supplementary Retirement Plan for Public Service Managers had a surplus of $3,698 (2005 – $10,018).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2007 the Bargaining Unit Plan reported an actuarial surplus of $153 (2006 deficit of $8,699) and the Management, Opted Out and Excluded Plan an actuarial surplus of $10,148 (2006 – $8,309). The expense for these two plans is limited to the employer's annual contributions for the year.

NOTE 12 Comparative Figures

Certain 2006 figures have been reclassified to conform to the 2007 presentation.

NOTE 13 Approval of Financial Statements

These financial statements were approved by the Deputy Minister and the Chief Financial Officer.

Schedule 1

Revenues

For the year ended March 31, 2007

(in thousands)

	2007		2006
	Budget	Actual	Actual Restated (Note 3)
Transfers from the Government of Canada			
Canada Social Transfer	$ 65,741	$ 44,897	$ 63,652
Labour Market Development Agreement Benefits	118,757	118,369	119,209
Rehabilitation of Disabled Persons	25,190	25,190	25,190
Canadian Agriculture Skills Services	7,935	1,523	925
Services to On-Reserve Status Indians	387	499	350
	218,010	190,478	209,326
Internal Government Transfers			
Transfer from Lottery Fund	12,769	12,769	11,769
Fees, Permits and Licences			
Various	300	666	313
	13,069	13,435	12,082
Other Revenue			
Refunds of Previous Year Expenditures	3,100	11,293	8,679
Workers' Compensation Appeals	9,796	8,702	8,006
Occupational Health and Safety Transfer	14,100	14,100	9,600
Other	337	152	417
	27,333	34,247	26,702
	$ 258,412	$ 238,160	$ 248,110

Schedule 2

Dedicated Revenue Initiatives

For the year ended March 31, 2007

(in thousands)

	2007		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)
Expenses by Program			
Workplace Health and Safety [a]			
Regional Services	$ 14,100	$ 14,100	-
Canadian Agricultural Skills Service [b]	7,935	1,523	(6,412)
Lean Manufacturing Program [c]	25	10	(15)
Total Dedicated Revenue	$ 22,060	$ 15,633	$ (6,427)

The revenue and expense related to the dedicated revenue initiatives are included in the Ministry's revenue and expense in the statement of operations.

[a] Workplace Health and Safety Regional Services dedicated revenue, under the agreement with the Workers' Compensation Board, is for the purpose of defraying part of the costs of administering the *Occupational Health and Safety Act*.

[b] Treasury Board Minute No. 37/2005, dated October 25, 2005, approved recovery for defraying costs of administering the Canadian Agricultural Skills Services program in conjunction with the Ministry of Agriculture, Food and Rural Development and Agri-Food Canada.

[c] Lean Manufacturing program revenue is from the sale of business manufacturing kits to Alberta manufacturing companies.

Schedule 3

Expense Directly Incurred – Detailed by Object

For the year ended March 31, 2007

(in thousands)

	2007 Budget	2007 Actual	2006 Actual Restated (Note 3)
Voted			
Salaries, Wages and Employee Benefits	$ 149,526	$ 152,178	$ 141,886
Supplies and Services	132,127	143,925	128,617
Supplies and Services from Shared Service Support Arrangements with Related Parties [a]	2,929	3,075	3,535
Grants	610,097	586,660	508,049
Financial Transactions and Other	90	116	145
Amortization of Tangible Capital Assets	3,176	2,231	2,299
Total Voted Expenses Before Recoveries	$ 897,945	$ 888,185	$ 784,531
Less Recovery from Shared Service Support Arrangements with Related Parties [b]	(429)	(1,601)	(1,265)
	$ 897,516	$ 886,584	$ 783,266
Statutory			
Valuation Adjustments (Note 6)			
Provision for Doubtful Accounts and Vacation Pay	$ 24	$ 1,392	$ 1,348

[a] The Ministry purchases financial and administrative support services from the Ministries of Education, Advanced Education and Technology, Justice and Attorney General, Seniors and Community Supports, and Children's Services.

[b] The Ministry provides human resources, information technology, financial and other administrative support services to the Ministries of Children's Services, Advanced Education and Technology and Seniors and Community Supports. Costs incurred for these services are recovered from these ministries.

Schedule 4

Budget

For the year ended March 31, 2007

(in thousands)

	2006-07 Estimates [a]	Adjustment [b]	2006-07 Budget	Authorized Supplementary [c]	2006-07 Authorized Budget
Revenue					
Transfer from the Government of Canada	$ 218,010		$ 218,010		$ 218,010
Internal Government Transfers [a]	12,769		12,769		12,769
Fees, Permits and Licences	300		300		300
Other Revenue	27,333		27,333		27,333
	258,412	-	258,412	-	258,412
Expenses - Directly Incurred:					
Voted Expenses					
Ministry Support Services	22,139		22,139		22,139
People and Skills Investments	705,515		705,515		705,515
Workplace Investments	28,763		28,763		28,763
Industry, Regional and Rural Development	128,579		128,579	2,235	130,814
Labour Relations and Adjudication	2,924		2,924		2,924
Workers' Compensation Appeals	9,596		9,596		9,596
Dedicated Revenue Shortfall	-	(6,427)	(6,427)		(6,427)
	897,516	(6,427)	891,089	2,235	893,324
Statutory Expenses					
Valuation Adjustments					
Provision for Doubtful Accounts and Vacation Pay	24		24		24
	897,540	(6,427)	891,113	2,235	893,348
Net Operating Results	$ (639,128)	(6,427)	$ (632,701)	$ (2,235)	$ (634,936)
Capital Investment	$ 3,798	-	$ 3,798	-	$ 3,798

[a] Government and Lottery Fund estimates were approved on May 24, 2006.

[b] Adjustment relates to dedicated revenue shortfall. (Schedule 2)

[c] A supplementary estimate was approved August 16, 2006 to address labour force shortfall.

Schedule 5

Comparison of Expenses – Directly Incurred and Capital Investments by Element to Authorized Budget

For the year ended March 31, 2007

(in thousands)

Voted Expenses and Capital Investments	2006-07 Estimate	Adjustment[a]	Authorized Supplementary[b]	2006-07 Authorized Budget	2006-07 Actual[c]	Unexpended (Over Expended)
Program 1 - Ministry Support Services						
1.0.1 Minister's Office	$ 400			$ 400	$ 398	$ 2
1.0.2 Deputy Minister's Office	532			532	530	2
1.0.3 Strategic Services	5,829			5,829	5,774	55
1.0.4 Corporate Services Office	338			338	335	3
1.0.5 Information Technology Management						
Operating Expense	6,162			6,162	5,842	320
Capital Investment	578			578	578	-
1.0.6 Human Resource Services	4,432			4,432	4,421	11
1.0.7 Finance Services	3,232			3,232	2,734	498
1.0.8 Freedom of Information and Privacy	603			603	594	9
1.0.9 Communications	611			611	597	14
1.0.10 Cabinet Policy Committee on Managing Growth Pressures						
	22,717	-	-	22,717	21,803	914
Program 2 - People and Skills Investments						
2.1.1 Planning and Program Management	9,105			9,105	9,798	(693)
2.1.2 Program Delivery and Support						-
Operating Expense	108,407			108,407	118,440	(10,033)
Capital Investment	3,020			3,020	8,258	(5,238)
2.2.1 Living Allowance for Learners	74,168			74,168	75,635	(1,467)
2.2.2 Learners - Health Benefits	3,216			3,216	2,997	219
2.2.3 Youth Connections	5,115			5,115	6,190	(1,075)
2.2.4 Career Development Services	40,416			40,416	46,308	(5,892)
2.2.5 Basic Skills and Academic Training	36,381			36,381	28,620	7,761
2.2.6 Disability Related Employment Supports	10,943			10,943	11,634	(691)
2.2.7 Summer Temporary Employment Program	8,195			8,195	7,730	465
2.2.8 Self Employment Training	4,946			4,946	3,120	1,826
2.2.9 Job Skills Training	64,019			64,019	51,236	12,783
2.2.10 Immigrant Support Services	6,074			6,074	5,993	81
2.2.11 Child Support Services	4,330			4,330	4,757	(427)
2.2.12 Alberta Child Health Benefit	25,168			25,168	22,528	2,640
2.2.13 Alberta Adult Health Benefit	7,512			7,512	7,490	22
2.3.1 Labour Market Partnerships	3,148			3,148	3,489	(341)
2.4.1 People Expected to Work - Income Support	92,914			92,914	97,594	(4,680)
2.4.2 People Expected to Work - Health Benefits	15,623			15,623	14,763	860
2.4.3 People Working - Earnings Supplement	25,200			25,200	25,015	185
2.4.4 People Working - Health Benefits	3,990			3,990	3,463	527
2.5.1 People Not Expected to Work - Income Support	111,706			111,706	105,304	6,402
2.5.2 People Not Expected to Work - Health Benefits	39,439			39,439	37,417	2,022
2.5.3 Widows' Pension	5,500			5,500	5,306	194
	708,535	-	-	708,535	703,082	5,453

Schedule 5 (continued)

Comparison of Expenses – Directly Incurred and Capital Investments by Element to Authorized Budget

For the year ended March 31, 2007

(in thousands)

	2006-07 Estimate	Adjustment[a]	Authorized Supplementary[b]	2006-07 Authorized Budget	2006-07 Actual[c]	Unexpended (Over Expended)
Program 3 - Workplace Investments						
3.1.1 Program Support	$ 1,608			$ 1,608	$ 1,951	$ (343)
3.2.1 Mediation	788			788	713	75
3.2.2 Labour Relations Policy and Facilitation	860			860	988	(128)
3.2.3 Professions and Occupations	943			943	804	139
3.3.1 Legislation, Policy and Technical Support	5,365			5,365	4,438	927
3.3.2 Partnerships	1,463			1,463	1,231	232
3.3.3 Regional Services	12,089			12,089	11,674	415
3.4.1 Legislation, Policy and Technical Support	1,028			1,028	2,074	(1,046)
3.4.2 Regional Services	4,619			4,619	4,979	(360)
3.5.1 Medical Panels for Alberta Workers' Compensation					66	(66)
	28,763	-	-	28,763	28,918	(155)
Program 4 - Industry, Regional and Rural Development						
4.1.1 Program Development and Support	8,136			8,136	7,149	987
4.2.1 Investment and Industry Development	7,483			7,483	7,832	(349)
4.3.1 Regional Development	6,684		2,235	8,919	8,632	287
4.4.1 Policy and Economic Analysis	1,965			1,965	1,965	-
4.5.1 Alberta Economic Development Authority	422			422	424	(2)
4.6.1 Rural Development Operations	834			834	1,301	(467)
4.7.1 Rural Alberta Development Fund	100,000			100,000	99,645	355
4.8.1 Northern Alberta Development Council						
Operating Expense	2,094			2,094	2,012	82
Capital Investment	-				29	(29)
4.9.1 Immigration	961			961	922	39
	128,579	-	2,235	130,814	129,910	904
Program 5 - Labour Relations and Adjudication						
5.0.1 Labour Relations Board						
Operating expense	2,924			2,924	3,034	(110)
Capital Investment	-			-	6	(6)
	2,924	-	-	2,924	3,040	(116)
Program 6 - Workers' Compensation Appeals						
6.0.1 Appeals Commission for Alberta Workers' Compensation						
Operating Expense	9,596			9,596	8,702	894
Capital Investment	200			200	-	200
	9,796			9,796	8,702	1,094
Dedicated Revenue Shortfall		(6,427)		(6,427)		(6,427)
Total Voted Expenses and Capital Investments	$ 901,314	(6,427) $	2,235 $	897,122 $	895,455 $	1,667
Program Operating Expense	897,516	(6,427) $	2,235	893,324	886,584	6,740
Program Capital Investment	3,798			3,798	8,871	(5,073)
	$ 901,314	(6,427) $	2,235 $	897,122 $	895,455 $	1,667
Statutory Expenses						
Valuation Adjustments	24			24	1,392	(1,368)
Total Statutory Expenses	$ 24	- $	- $	24 $	1,392	(1,368)

[a] Adjustment relates to dedicated revenue shortfall (Schedule 2).

[b] A supplementary estimate was approved August 16, 2006 to address labour force shortfall.

[c] Includes achievement bonus of $ 2,611.

Schedule 6 (a)

Salary and Benefits Disclosure

For the year ended March 31, 2007

	2007				2006
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Senior Official					
Deputy Minister [4]	$ 206,000	$ 49,000	$ 44,804	$ 299,804	$ 272,757
Executives					
Assistant Deputy Ministers					
Delivery Services	157,044	24,000	35,962	217,006	205,162
Immigration, Economic and Rural Development	157,044	34,017	35,340	226,401	215,053
Workforce Supports	157,044	20,500	35,467	213,011	197,881
Labour Standards and Workplace Safety	157,044	19,000	35,434	211,478	180,839
Corporate Services	157,044	28,500	35,962	221,506	208,696
Strategic Services and Information	143,016	20,000	32,495	195,511	180,030

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

Schedule 6 (b)

Salary and Benefits Disclosure

NORTHERN ALBERTA DEVELOPMENT COUNCIL

For the year ended March 31, 2007

	2007				2006
	Base Salary[1]	Other Cash Benefits[2]	Other Non-cash Benefits[3]	Total	Total
Executives					
Executive Director, Northern Alberta Development Council	$ 100,022	8,006	$ 26,817	$ 134,845	$ 126,613

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

Schedule 6 (c)

Salary and Benefits Disclosure

ALBERTA LABOUR RELATIONS BOARD

For the year ended March 31, 2007

	2007				2006
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Senior Official					
Chair [4][5]	$ 209,565	$ 27,794	$ 8,660	$ 246,019	$ 233,179
Executives					
Vice Chair [5]	145,083	9,894	2,924	157,901	145,362
Vice Chair	132,564	9,942	31,436	173,942	165,801
Vice Chair	132,564	9,942	30,062	172,568	147,626
Executive Director	125,004	10,375	30,102	165,481	152,111
Director of Administration	82,140	4,436	20,283	106,859	102,291

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Salary includes pay in lieu of benefits.

Schedule 6 (d)

Salary and Benefits Disclosure

WORKERS' COMPENSATION APPEALS

For the year ended March 31, 2007

	2007				2006
	Base Salary [1]	Other Cash Benefits [2]	Other Non-cash Benefits [3]	Total	Total
Senior Officials					
Chief Appeals Commissioner [4]	$ 166,632	$ 24,995	$ 37,717	$ 229,344	$ 216,255
Full Time Commissioners [5]	2,560,128	180,643	290,837	3,031,608	2,789,136
Temporary Appeals Commissioners [6]	1,131,160	4,743	-	1,135,903	1,259,824

Prepared in accordance with Treasury Board Directive 12/98 as amended.

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts, overtime and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension and supplementary retirement plan, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in benefits and allowances figures.

(5) Commissioners consist of twenty-one full time individuals.

(6) Salary is the honoraria paid from April 1, 2006 to March 31, 2007 for thirty-one part time Commissioners.

Schedule 7

Related Party Transactions

For the year ended March 31, 2007
(in thousands)

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses, and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry receives services under contracts managed by the Ministry of Service Alberta. Any commitments under these contracts are reported by the Ministry of Service Alberta.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	2007	2006 Restated (Note 3)
Expenses - Directly Incurred		
Other Services [a]	$ 4,095	$ 7,869
Tangible Capital Asset Transfers	(850)	(217)

The above transactions do not include shared service support arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not included in the financial statements.

	2007	2006 Restated (Note 3)
Expenses - Incurred by Others		
Accommodation	$ 17,480	$ 15,445
Legal Services	329	624
Other Services [a]	7,620	4,690
	$ 25,429	$ 20,759

[a] In 2007, the costs for certain other services were provided by Service Alberta for which no consideration was exchanged, and 2006 costs have been restated accordingly.

Schedule 8

Allocated Costs

For the year ended March 31, 2007

(in thousands)

Program	Directly Incurred Expenses	2007 Expenses - Incurred by Others Accommodation Costs	Legal Services	Other Services	Valuation Adjustments (5) Doubtful Accounts	Vacation Pay	2007 Total Expenses	2006 Total Expenses
	(1)	(2)	(3)	(4)	(6)	(7)		Restated (Note 3)
Ministry Support Services	$ 21,225	$ 787	$ 47	$ 1,277		$ (314)	$ 23,022	$ 23,371
People and Skills Investments	694,824	13,210	151	5,306	34	1,408	714,933	715,672
Workplace Investments	28,918	1,290	72	-		274	30,554	27,905
Industry, Regional and Rural Development	129,881	2,015	49	1,037		58	133,040	26,888
Labour Relations and Adjudication	3,034	141	10	-		6	3,191	3,157
Workers' Compensation Appeals	8,702	37	-	-		(74)	8,665	8,437
	$ 886,584	$ 17,480	$ 329	$ 7,620	$ 34	$ 1,358	$ 913,405	$ 805,430

(1) Expenses as per Statement of Operations excluding valuation adjustments.

(2) Costs shown for Accommodation in Schedule 7 have been allocated as follows:

- Where buildings accommodate staff for one program, costs are allocated to the specific program.
- Where buildings accommodate staff for two programs, costs are allocated equally between programs.
- Buildings which accommodate multi-programs, costs are allocated based on ratio of staff employed in each program.

(3) Costs shown for Legal Services in Schedule 7 have been allocated based on hours of work performed.

(4) Costs shown for Other Services in Schedule 7 have been allocated based on value of services provided.

(5) Valuation adjustments as per Statement of Operations.

(6) Provision for doubtful accounts have been allocated based on actual provision relating to the program.

(7) Provision for vacation pay has been allocated based on actual liability recorded.

Supplementary Ministry Financial Information

- Ministry Expense by Function
- Statement of Remissions, Compromises and Write-Offs

Ministry Expense by Function

For the year ended March 31, 2007

(in thousands)

	2006-07 Budget	2006-07 Actual	2005-06 Actual (Re-stated)
Education			
Skills Investments	$ 248,360	$ 234,391	$ 269,852
Social Services			
People and Skills Investments	448,894	451,874	422,348
Ministry Support Services	22,139	21,225	21,558
	471,033	473,099	443,906
Agriculture, Resource Management and Economic Dev			
Industry, Regional and Rural Development	128,672	130,436	23,943
Immigration	6,074	5,993	6,014
	134,746	136,429	29,957
Regional Planning and Development			
Northern Alberta Development Council	2,094	2,012	2,009
Protection of Persons and Property			
Labour Standards and Workplace Safety	28,763	28,917	26,540
Workers' Compensation Appeals	9,596	8,702	8,006
Labour Relations and Adjudication	2,924	3,034	2,980
	41,283	40,653	37,526
General Government			
Valuation Adjustment and Other Provisions	24	1,392	1,364
	24	1,392	1,364
Expense by Function	$ 897,540	$ 887,976	$ 784,614

Injury prevention initiatives and growth in modified work cases (up 17.1% in 2006) continue to moderate rising TLC volume. In comparison to the 2006 TLC projected rate of 2.33 claims per 100 workers, which dropped slightly from the prior year, the disabling injury rate (TLC + modified work cases = disabling injuries) remained virtually unchanged, at 3.97 disabling injuries per 100 workers.

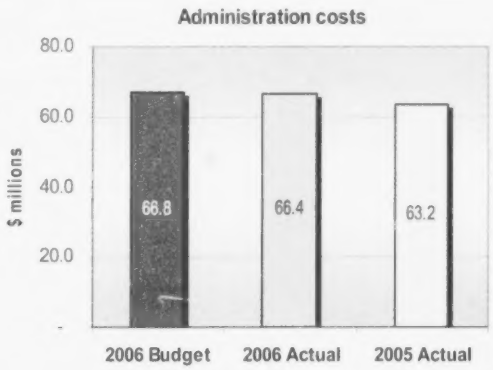
Administration

- $0.4 million (0.6%) under budget

Administration costs came in under budget, mainly due to effective expenditure management and lower-than-expected employee benefit costs.

- $3.2 million (5.1%) higher than prior year

The 5.1% increase over 2005 is due primarily to inflationary impacts on operating expenses.



Administration expenses exclude claim-related administration costs (2006 - $65.4 million, 2005 - $62.8 million) that are included in claim costs.

Financial Management

With a mandate to protect the financial integrity of the Accident Fund, WCB is pursuing innovative financial strategies that build on the work done in the 2005 Asset-Liability Study. The financial strategies that evolved from the recommendations of the study - Funding and Investment Policies - represent only the starting point for enhancements in financial management. The momentum gained from outstanding operating results and financial strength over the last three years allows WCB to take the long view in developing risk management strategies proactively. Over time, the knowledge and experience gained through the development and application of the existing financial policies can be leveraged towards further enhancements to financial management effectiveness.

Funding Policy

The primary financial management strategy is the Funding Policy, which represents the framework within which financial decisions and plans are made. Fresh ideas and business needs provide new opportunities for financial strategy that must be researched and validated, leading to innovation in systems, tools, and processes. In this light, the Funding Policy is not a static process, but evolves – through rigorous management review, stakeholder consultation, and Board of Director approval – to address changing economic and financial circumstances and organizational priorities.

Funding Policy: principles and objectives

The strategic aim of funding and investment policies is to strive for balance between financial risk (i.e., volatility), investment returns, and funding stability. Specifically, the Funding Policy embodies these financial objectives:

Statement of Remissions, Compromises and Write-Offs

For the year ended March 31, 2007
(in thousands)

The following Statement has been prepared pursuant to section 28 of the *Financial Administration Act*. The statement includes all remissions, compromises and write-offs of the Ministry of Employment, Immigration and Industry made or approved during the fiscal year.

Remissions under section 26 of the *Financial Administration Act:*	$ -
Compromises under section 27 of the *Financial Administration Act:*	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	18
Bankruptcies:	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	93
Learners Support	65
Miscellaneous	8
	166
Write-Offs:	
Supports for Independence, Assured Income for the Severely Handicapped Program and Alberta Adult Health Benefit	6,952
Widows' Pension Program	18
Miscellaneous	8
	6,978
	$ 7,162

Un-audited information as per Alberta Treasury Board 2007 Ministry Annual Report Standards.

- Minimizing the risk of becoming unfunded.
- Minimizing cost volatility to employers.
- Minimizing the total cost charged to employers.

The funding strategies that evolved from these objectives address those risks that may affect the financial stability of WCB – primarily investment volatility. Innovative financial management strategies, such as the Funding Policy rules, are in place to minimize these risks, with ongoing monitoring and evaluation to ensure that they continue to respond effectively to changing economic conditions.

Funding Policy rules

Significant funding rules under the Funding Policy include the following:

- Premium rate design based on current year fully funded claim costs, that is, full operating cost recovery with no rate subsidization or smoothing.
- Minimum premium cost to employers set at 60% of industry-rated premiums.
- Multiple target ranges to guide funding decisions and accommodate volatility at various funded levels.
- Surplus distribution dividend or fund replenishment levy used as funding adjustment mechanisms.

These rules help achieve equity and consistency in the attribution of costs between employers and, at the same time, ensure intergenerational equity by requiring current employers to cover the full cost of current year injuries.

Funding sources

On the balance sheet, the Accident Fund represents all the WCB assets available to discharge its legislative mandate. The allocation of assets to each of the WCB's fiduciary obligations is expressed as a percentage of total liabilities:

- Minimum assets required for payment of current and future compensation and related administration costs (target level 100%).
- Assets retained in Fund Balance to lessen the risk of becoming unfunded (target level 16%).
- Assets reserved in the Occupational Disease Reserve (ODR) to provide for significant unforeseen future costs related to latent occupational injury or disease (target level 6%).

The target funding range is between 116% and 122%. Surplus assets exceeding the 122% funding level are available for distribution to employers, whereas a deficiency of assets below 116% would require replenishment levies.

Investment Policy

The Investment Policy contains the goals and objectives and the target asset mix for the portfolio. It also describes the permitted investments, constraints, and controls for management of the portfolio. The underlying investment philosophy emphasizes minimizing volatility while maximizing returns. The desired outcome is to generate investment earnings that will exceed the actuarial required rate of return (currently 3.25%) with greater certainty over the long term.

Workers' Compensation Board Financial Statements

- Management Discussion and Analysis of 2006 Financial Statements and Operating Results
- Responsibility for Financial Reporting
- Actuaries' Report
- Auditor's Report
- Balance Sheet
- Statement of Operations
- Statement of Comprehensive Income
- Statement of Changes in Funded Position
- Statement of Cash Flows
- Notes to the Financial Statements
- Schedule A – Salaries and Benefits

PORTFOLIO MANAGEMENT

Asset mix

Asset mix is the primary driver of portfolio risk and return. The target asset allocations will continue to be implemented through the 2005-2007 Investment Management Strategic Plan, as follows: reducing equities from 55% to 44%, increasing bonds from 40% to 47%, and real estate from 3% to 8%. The asset mix will generate a higher ratio of less-volatile fixed income and real estate returns. Throughout 2006, the asset mix was gradually moved towards the new policy targets. The majority of the shift from equities to bonds will be completed in 2007; however, the increased allocation to real estate will take several years to implement.

2006 ASSET MIX VS POLICY MIX

Asset Class	Actual Mix	Current Target Mix	Current Over (Under) Weight	Future Target Mix	Current Over (Under) Weight
Cash and cash equivalents	0.8%	1.0%	(0.2%)	1.0%	(0.2%)
Conventional bonds	40.5%	39.0%	1.5%	39.0%	1.5%
Real return bonds	5.8%	8.0%	(2.2%)	8.0%	(2.2%)
Real estate	3.8%	3.5%	0.3%	8.0%	(4.2%)
Canadian equity	14.1%	14.5%	(0.4%)	10.0%	4.1%
Global equity	30.9%	30.0%	0.9%	30.0%	0.9%
Emerging-markets equity	4.1%	4.0%	0.1%	4.0%	0.1%
	100.0%	100.0%		100.0%	

Use of derivatives

WCB's investment portfolio includes derivatives that are used to manage asset exposures. Derivative contracts are undertaken to provide market exposure, replicate permitted investments, or as part of a hedging strategy to reduce portfolio risk; they are utilized only within stringent guidelines and controls and are not intended to be used for speculative reasons. Derivative positions are monitored on a monthly basis and reported to senior management and the WCB's Finance Committee on a quarterly basis for compliance with Investment Policy.

Currency hedging

The investment portfolio includes a passive currency overlay to hedge the foreign currency exposure in the global equity asset class. Fifty percent (+/- 10%) of the foreign currency exposure assumed through the global equity asset class is hedged back to Canadian dollars.

Hedging transactions are executed through an external overlay manager. The currency overlay is independent of the underlying foreign-equity managers, and the performance impact is clearly separated and monitored. The hedge is executed through the purchase of currency forward contracts on the U.S. dollar, the Euro, and the other major currencies reflected in the underlying foreign-equity mandates.

Further discussion of risk management strategies can be found in Note 6, Financial Risk Management, in the accompanying financial statements and notes.

Management Discussion and Analysis of 2006 Financial Statements and Operating Results

The Management Discussion and Analysis (MD&A) provides management's perspective on key issues that affect current and future performance of The Workers' Compensation Board of Alberta (WCB-Alberta, WCB). The MD&A, prepared as at March 21, 2007, should be read in conjunction with the audited financial statements and accompanying notes for the year ending December 31, 2006.

Forward-looking statements

This report may contain forward-looking statements about certain matters that are by their nature subject to many risks and uncertainties, which may cause actual results to differ materially from the statements made herein. Forward-looking statements include, but are not limited to, WCB objectives, strategies, targeted and expected financial results and the outlook for WCB's business or for the Alberta and global economies. Risks and uncertainties include, but are not limited to, changing market, industry, and general economic factors or conditions; changes in legislation affecting WCB policies and practices; changes in accounting standards; the ability to retain and recruit qualified personnel; and other risks, known or unknown. Some are predictable or within WCB control; others are not. The reader is hereby cautioned not to place undue reliance on these forward-looking statements.

Unless otherwise indicated, all amounts shown are in millions of Canadian dollars.

Business Overview

Founded in 1918, the Workers' Compensation Board is a not-for-profit organization with a legislative mandate under the *Workers' Compensation Act* (the Act) to administer the workers' compensation system for the province of Alberta. While accountable to the Minister of Employment, Immigration and Industry, WCB is not a provincial government department or crown corporation, but is independently funded and operated as an insurance enterprise. Through the payment of premiums, over 127,000 employers fund the system, covering more than 1.65 million workers.

WCB mandate

In Canada, workers' compensation is a no-fault disability insurance system that protects both employers and workers against the economic impact of work-related injuries and occupational diseases. Based on the Meredith Principle[1], the system covers injured workers for lost employment income and provides health care, rehabilitation, and other services arising from a work-related injury, regardless of cause, while employers are shielded from litigation. This system brings economic stability to the workplace through collective liability that minimizes the risks and expenses of injury. To achieve these objectives, the Act establishes an Accident Fund and imposes a statutory obligation on the WCB to ensure that it be fully funded.

[1] In his report on workers' compensation in 1913, then Chief Justice of Ontario Sir William Meredith, outlined a framework that is now commonly referred to as the Meredith Principle.

Investments

In 2006, investment returns were a key driver of WCB's exceptional financial results. The following discussion provides an overview of the economic and market forces that had a direct impact on WCB's investment portfolio and returns.

Capital markets overview

Capital markets enjoyed sustained growth as the world economy recorded a third consecutive year of strong GDP growth in 2006. Generally subdued core inflation and interest rates, coupled with a surge in global liquidity, boosted returns above expectations for 2006. The economies of China and India continue to exert upward pressure on global prices for materials and energy. While the U.S. economy slowed somewhat during the year due to weakness in construction and manufacturing, consumer spending and overall corporate profits remained strong. Global markets, on average, continued to exhibit solid returns for the year; however, emerging markets continued to lead the charge in delivering strong returns.

Domestic markets also performed well during 2006. The falling price of oil contributed to weak performance in the energy sector but was offset by strong gains in both the financial and materials sectors.

The Canadian bond market exhibited moderate performance for all maturities. In contrast to the overall bond market, the Canadian real return bonds exhibited lacklustre performance with a modest negative return during 2006.

PORTFOLIO PERFORMANCE

Market returns

The portfolio earned a nominal market rate of return of 12.1% for 2006 (0.9% above the policy benchmark) and earned 12.2% for the four-year period ending December 31, 2006 (0.5% above the benchmark). This is well above long-term expectations of 7.1% per annum from the 2005 Asset-Liability Study. The primary goal of the investment portfolio is to earn a real rate of return that meets or exceeds the actuarial discount rate. On this basis, the real rate of return for 2006 of 7.4% (nominal rate of 12.1% less inflation of 4.7%) was well above the actuarially required discount rate of 3.25%.

Benchmark returns

The benchmark return is comprised of benchmark index returns for each asset class, weighted by the policy asset mix. Performance vs. the benchmark is a relative measure of success in implementing the investment program through active management. In all asset classes, the portfolio outperformed the benchmarks due to successful active management strategies by fund managers.

INVESTMENT REVENUE

Fixed income

Higher bond income compared to budget and prior year is attributable primarily to realized gains within the fixed income portfolios and the shift to a higher asset allocation during the year. Bond prices have moved consistently higher over the last several years, which provides for realized gains with normal portfolio trading.

At the highest and simplest level, WCB - Alberta is involved in two significant and complementary business activities: customer operations and financial management.

Customer operations provide disability insurance for workplace injuries. Key business processes include assessment and collection of premiums from employers, payment of compensation benefits to injured workers and return to work services, in accordance with WCB's mandate.

Financial management uses an integrated risk-based approach to manage assets and liabilities to generate an adequate return on invested assets to pay for claim-related obligations. Key business processes include strategic financial planning, rate setting, investment management, claim liability valuation, and financial-performance reporting. Strong financial management not only ensures benefit security for workers and fair premiums for employers, but also provides the appropriate tools for evaluating how WCB is meeting its financial obligations.

WCB VISION AND MISSION STATEMENTS

The core principles as set out in WCB's vision and mission shape those corporate beliefs and values that guide operating philosophy:

Vision
Albertans working - a safe, healthy, and strong Alberta

Mission
WCB-Alberta, working together with our partners, will significantly and measurably reduce the impact of workplace illness and injury on Albertans.

WCB's vision is to make a positive and lasting impact on Alberta's people, society, and economy through what it does, while the mission statement describes the operating philosophy for how it intends to conduct business.

Overview of 2006 Financial Results

Over the past three years, WCB – Alberta has seen significant year-over-year gains in all business areas. Fiscal 2006 results cap yet another milestone year for both customer operations and financial management. Although revenue growth and balance sheet strength were largely powered by macroeconomic forces, WCB's commitment to operational excellence also contributed substantially to the record financial performance.

Total revenue of $1,723.6 million, offset by total expenses of $974.2 million, yielded an operating surplus of $749.4 million which represents an increase of 28.0% over the $585.6 million surplus in 2005. These operating results increased the Funded Position to $1,812.7 million, or 136.5%, which is net of a special dividend of $443.3 million payable in 2007. While this dividend arises from strong financial results, the primary driver is exceptional investment returns over the past several years, which likely won't be sustainable over the long term.

Alberta continued to lead all provincial economies in 2006 with real Gross Domestic Product (GDP) growth of 6.4%[2], driving a 12-month employment growth rate of 6.0%[3]. During this same period, average weekly earnings in Alberta grew by 4.5%, also the highest rate across Canada. These economic indicators explain the growth in insurable earnings of 14.0% over 2005, boosting premium revenue up 2.5% to $1,003.3 million. Significant gains within the investment portfolio drove investment income up from $556.2 million for 2005 to $718.2 million for 2006. These key factors account for total revenues of $1,723.6 million, an increase of $186.7 million, or 12.1%, over 2005.

Total claim costs of $877.0 million increased $16.0 million or 1.9% over the previous year, due primarily to inflationary pressure on claim costs and related administration, and 3.4% growth in claim volume. Effective case management and ongoing focus on modified work continue to produce strong results. Administration and other expenses of $97.2 million brought total expenses to $974.2 million, or 2.4% higher than 2005.

Operating Surplus Analysis

The table below analyzes the major contributors to the operating surplus of $749.4 million.

Significant Contributing Factors	2006 Budget	2006 Actual	2005 Actual
Premiums			
Surplus premium revenue resulting from the actual premium rate collected of $1.63 (2005 - $1.83) being higher than the required premium rate of $1.34 (2005 - $1.41) based on insurable earnings	$ -	$ 176.3	$ 225.0
Investments			
Net surplus of investment income over the interest requirement of $229.4 million (2005 - $223.4 million) on the claim benefit liability	238.5	488.8	332.8
Claim benefit liabilities			
Changes in actuarial methods and assumptions	-	(8.2)	(91.2)
Actuarial adjustments due to claims experience	40.7	86.0	121.0
Other			
Other revenue (expense) items	0.8	6.5	(2.0)
Operating surplus	**$ 280.0**	**$ 749.4**	**$ 585.6**

In simplest terms, the funding model for WCB operates on the premise that, in a given year, premiums cover all operating costs on a break-even basis, while investment returns are expected to cover the annual interest requirement of the liability. Operating surpluses or deficits arise when actual cost and returns are different from forecasted expectations that rely on economic and business assumptions based on available information at a point in time. Given the volatile performance of local and global economies, forecasting is subject to a great deal of uncertainty and risk. Consequently, even the most rigorously developed plans will likely differ significantly from actual results.

[2] *Conference Board of Canada Forecast: Winter 2007* as cited in Alberta Finance *Current Economic Indicators by Province* for week ending March 2, 2007

[3] Alberta Finance *Labour Force Developments* (December 2006)

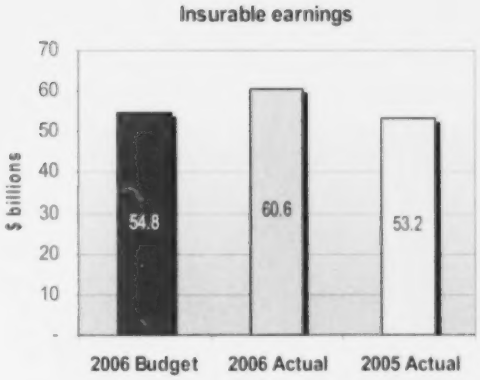
Customer Operations

Premiums

Insurable earnings

- $5.8 billion (10.6%) over budget

Alberta's resource sector, the main engine of employment and wage growth, helped push the 2006 actual insurable earnings to $60.6 billion, compared to budget of $54.8 billion. Mining/Oil and Gas experienced the largest variance against budget at 20.0%, followed by Construction at 15.7%.



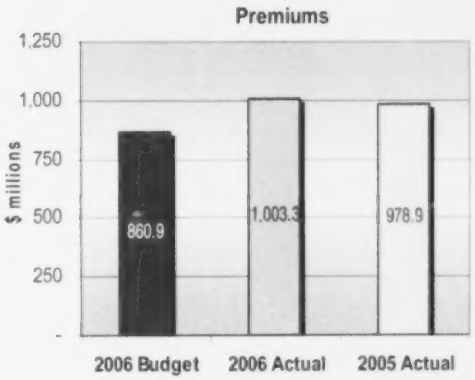
- $7.4 billion (13.9%) over prior year

Alberta's economic growth in 2006 was again the primary factor for the 13.9% increase, with payroll growth in the Construction and Mining/Oil and Gas sectors leading the way with 25.4% and 20.7% increases, respectively.

Premium revenue

- $142.4 million (16.5%) over budget

Total premium revenues were $1,003.3 million in 2006 compared to budget of $860.9 million. The increase stemmed primarily from higher increases in insurable earnings than planned, particularly in higher rated industries. Construction led all sectors at $41.7 million, or 15.6% higher than budget, with Manufacturing and Mining/Oil and Gas following at $24.2 million (17.3%) and $24.0 million (35.8%), respectively.



- $24.4 million (2.5%) over prior year

Compared to 2005, the increase in premium revenues from $978.9 million to $1,003.3 million was due to wage and employment growth, primarily in the Construction sector, with an increase of $31.3 million, or 11.3% over prior year, followed by Mining/Oil and Gas at $3.4 million, or 4.2%.

Premium Rates

Total premium revenue requirements for rate-setting purposes are based on projected operating expenses for the following year. Base revenue requirements are comprised of fully funded costs of claims arising in the current year, administration costs related to those claims, general administration expenses for WCB operations, and transfer levies. In addition, premiums include a funding levy for the Occupational Disease Reserve, plus any special levies necessary to replenish the Accident Fund.

Customer Operations

Premiums

Insurable earnings

- $5.8 billion (10.6%) over budget

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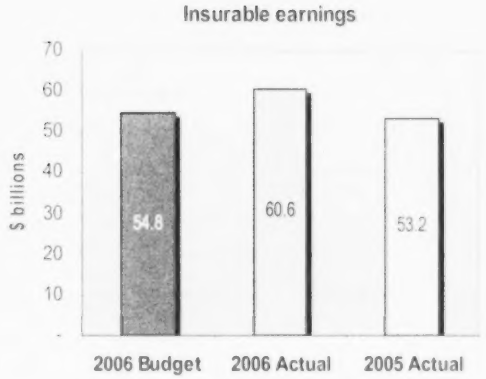

- $7.4 billion (13.9%) over prior year

Alberta's economic growth in 2006 was again the primary factor for the 13.9% increase, with payroll growth in the Construction and Mining/Oil and Gas sectors leading the way with 25.4% and 20.7% increases, respectively.

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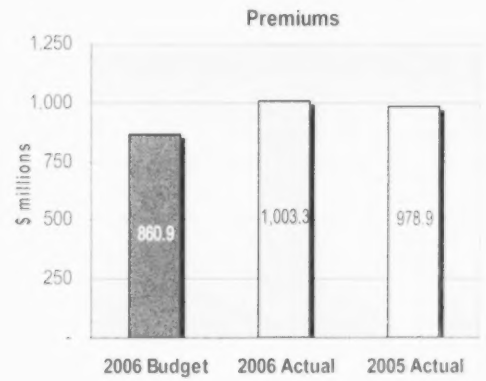

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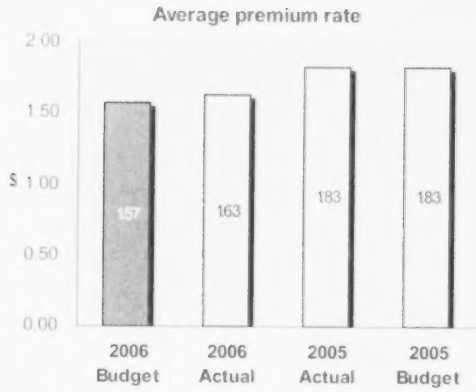
Average premium rate

- $0.06 (3.8%) over budget

Higher wage growth, primarily in higher-rated industries, resulted in an average actual rate that was $0.06 above budget. In contrast, the actual average rate in 2005 was the same as budget ($1.83) due to relatively consistent wage growth across all industries.

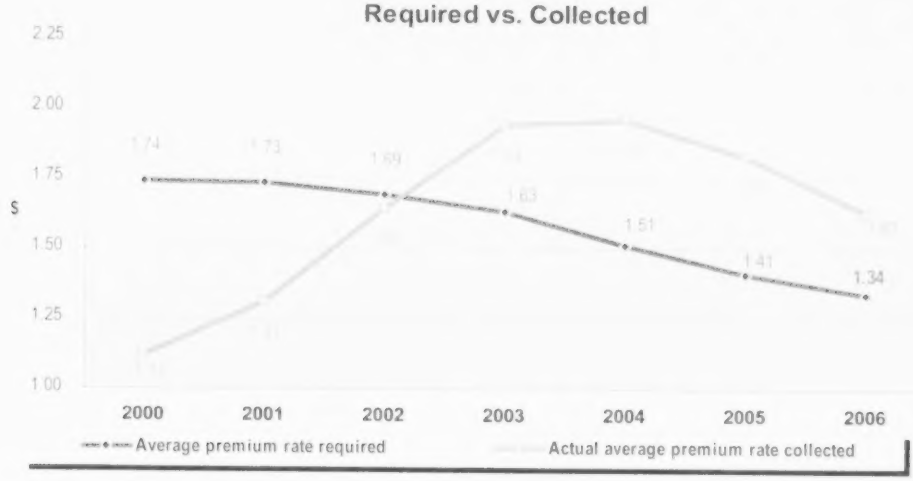


- $0.26 (14.2%) budget reduction from prior year

The reduction from $1.83 to $1.57 in the average budget rates reflects reductions in the requirements for operating costs ($0.03) and the $0.23 special levy in 2005 for funding replenishment.

The table below presents a 7-year trend comparison of required to collected premium rates. From 2000 to 2001, the shortfall in the required rate resulted from discounting of the rates to reflect investment returns. Premium rates are no longer discounted as the Funding Policy stipulates that the required rate and resulting revenue cover the total current-year fully funded claim costs.

Average Premium Rates
2000 - 2006
Required vs. Collected



The 2006 premium requirement and rate were based on projected fully funded claim costs and insurable earnings using the best information available in early Q4 2005. Better-than-expected cost performance, coupled with higher-than-estimated insurable earnings, culminated in higher premiums collected than required for fiscal 2006. This surplus premium accounts for 23.5% of the overall operating surplus.

Average premium rate

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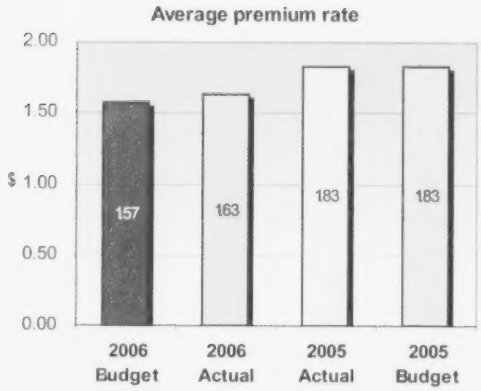

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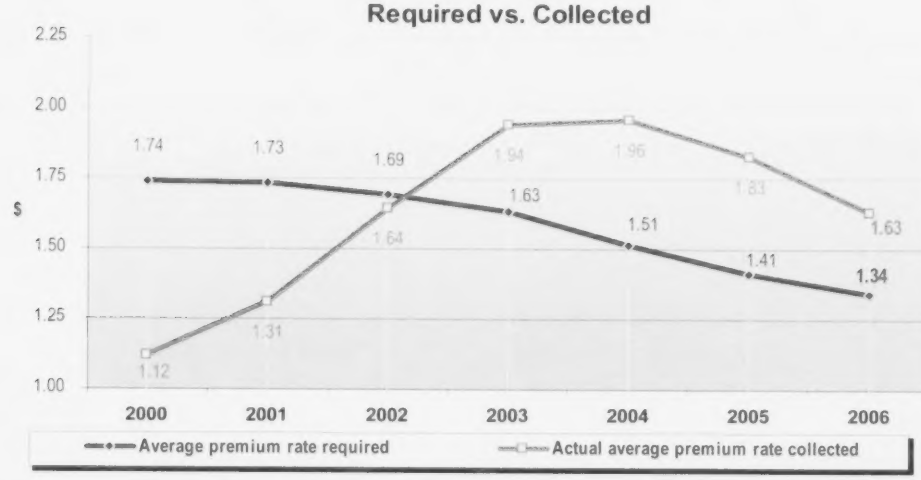
2000 - 2006
Required vs. Collected



The 2006 premium requirement and rate were based on projected fully funded claim costs and insurable earnings using the best information available in early Q4 2005. Better-than-expected cost performance, coupled with higher-than-estimated insurable earnings, culminated in higher premiums collected than required for fiscal 2006. This surplus premium accounts for 23.5% of the overall operating surplus.

Claim Costs

Claim costs are an estimate of current and future costs arising from compensable injuries occurring in 2006, the future costs to administer these claims, and claim benefit liability adjustments relating to prior years' injuries.

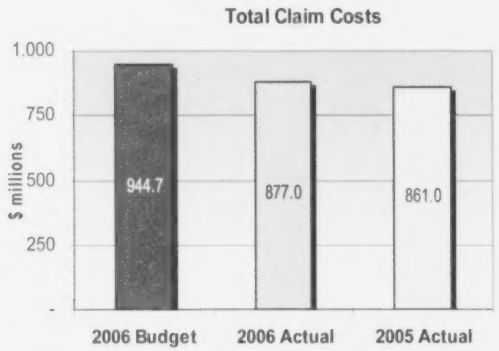
Total claim costs

- $67.7 million (7.2%) under budget

Sound management of current and prior year claims expenditures, coupled with favourable claim benefit liability adjustments, resulted in lower-than-expected claim costs.

- $16.0 million (1.9%) over prior year

Continued improvement in claim resolution and return-to-work outcomes almost completely offset the effects of rising claim volume and wage growth resulting in claim costs being only slightly higher than the prior year.



Compensation benefit costs

Processed claim costs for the current year were $45.2 million below budget, due primarily to the lower volume and cost of Economic Loss Payment (ELP) cases during the year. Health care costs were slightly lower than expected due to successful return-to-work efforts, which reduced claim duration. The remaining $22.5 million of the favourable budget variance reflects the effects on the claim benefit liability of lower-than-expected processed claim costs and better-than-expected claim experience.

While Short-Term Disability costs increased only slightly against budget and the prior year, cost increases from 8% wage growth and a 3.8% increase in time-lost claim volume were almost completely offset by the cost savings from improved claim duration outcomes.

Claim duration

Ongoing focus on injury prevention and modified work initiatives continue to produce positive outcomes in claims resolution through effective case management, medical management, innovative modified work programs, and coordinated return-to-work planning. The focus on claim resolution and return to work resulted in another record achievement for claim duration (elapsed average time from accident to return to work) of 34.1 days, down from 36.3 days, or 6.1%, from 2005. The success from the reduction in duration efforts significantly offset the effects of higher claim volume and wage growth for 2006.

Claim volume

Time-lost claim (TLC) volume rose to 38,500, up 3.8% from the previous year. This growth reflects an expanding Alberta economy that added 86,300 jobs during 2006, an increase of 4.8%[4], translating into a record number of covered workers at 1.65 million, a 7.1% increase over 2005.

[4] Alberta Finance *Labour Force Developments* (December 2006)

Injury prevention initiatives and growth in modified work cases (up 17.1% in 2006) continue to moderate rising TLC volume. In comparison to the 2006 TLC projected rate of 2.33 claims per 100 workers, which dropped slightly from the prior year, the disabling injury rate (TLC + modified work cases = disabling injuries) remained virtually unchanged, at 3.97 disabling injuries per 100 workers.

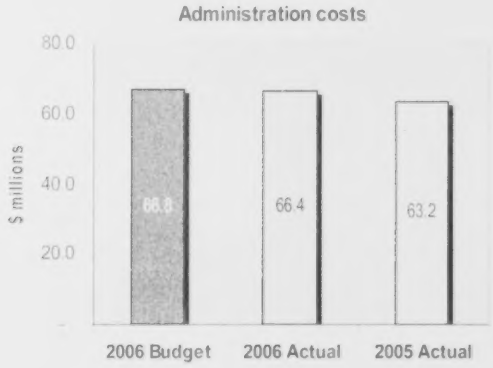
Administration

- $0.4 million (0.6%) under budget

Administration costs came in under budget, mainly due to effective expenditure management and lower-than-expected employee benefit costs.

- $3.2 million (5.1%) higher than prior year

The 5.1% increase over 2005 is due primarily to inflationary impacts on operating expenses.



Administration expenses exclude claim-related administration costs (2006 - $65.4 million, 2005 - $62.8 million) that are included in claim costs.

Financial Management

With a mandate to protect the financial integrity of the Accident Fund, WCB is pursuing innovative financial strategies that build on the work done in the 2005 Asset-Liability Study. The financial strategies that evolved from the recommendations of the study - Funding and Investment Policies - represent only the starting point for enhancements in financial management. The momentum gained from outstanding operating results and financial strength over the last three years allows WCB to take the long view in developing risk management strategies proactively. Over time, the knowledge and experience gained through the development and application of the existing financial policies can be leveraged towards further enhancements to financial management effectiveness.

Funding Policy

The primary financial management strategy is the Funding Policy, which represents the framework within which financial decisions and plans are made. Fresh ideas and business needs provide new opportunities for financial strategy that must be researched and validated, leading to innovation in systems, tools, and processes. In this light, the Funding Policy is not a static process, but evolves – through rigorous management review, stakeholder consultation, and Board of Director approval – to address changing economic and financial circumstances and organizational priorities.

Funding Policy: principles and objectives

The strategic aim of funding and investment policies is to strive for balance between financial risk (i.e., volatility), investment returns, and funding stability. Specifically, the Funding Policy embodies these financial objectives:

Equities

All major equity markets performed well during the year. The strong equity markets provided for significant realized gains from normal portfolio trading, transition to new managers, and rebalancing towards the new asset-mix targets.

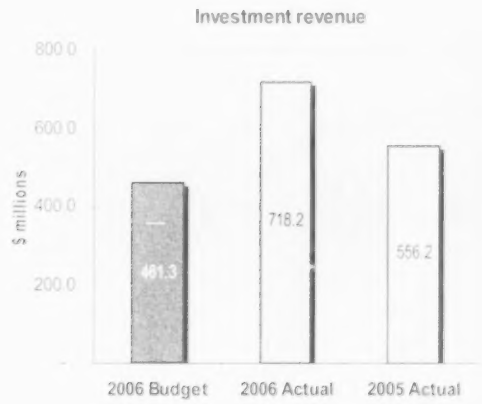
Real estate

The real estate portfolio, exclusively invested in Canadian real estate, continues to perform above expectations. Industry factors include rising rental rates as well as rising prices due to strong demand for quality assets, relative to the limited supply available in a tight market.

Investment revenue

- $256.9 million (55.7%) over budget

2006 performance reflects accrued gains released from Accumulated Other Comprehensive Income (AOCI) through portfolio management activities, as well as market strength in both fixed income and equity classes. $221.8 million of the budget variance relates to realized gains, while higher bond yields and dividend income were responsible for $35.1 million of the increase.



- $162.0 million (29.1%) over prior year

As with the budget, the increase over 2005 is due to accrued gains being realized through significant portfolio management activities.

The Annual Investment Report contains a detailed analysis of portfolio returns and can be viewed at www.wcb.ab.ca.

Claim Benefit Liabilities

At the end of each fiscal year, WCB determines its claim benefit liabilities for all injuries that have taken place up to that date. These liabilities represent the actuarial present value of all future benefit costs, excluding liabilities of self-insured employers. As at December 31, 2006, claim benefit liabilities aggregated to $4,396.9 million, an increase of $231.0 million, or 5.5%, over the previous year.

Overall change in the liability

The overall increase in the liability of $231.0 million is attributable to the following factors:

- $514.0 million for the provision for future costs of current year injuries.
- $229.4 million to cover the interest requirement on the liability.
- Benefit payments for prior years' injuries that decreased the liability by $434.6 million.
- Changes in actuarial methods and assumptions resulting in a net increase of $8.2 million.
- Claim cost experience gains resulting in a net decrease of $86.0 million in the liability.

Strong operating results in disability management provided a moderating influence against the recent trends of rising claim volume and inflation that impact future claim costs.

Equities
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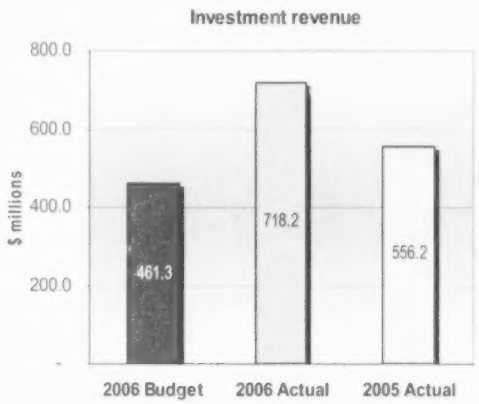

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Changes in actuarial methods and assumptions
The overall real discount rate of 3.25% remains unchanged for 2006. The health care inflation rate was also maintained at 6.75%, reflecting continuing inflationary pressure on the health care system.

At the end of 2006, a provision of $23.6 million was established within the claims administration liability for the future costs of administering the Appeals Commission, on the basis that the appellate process is an integral aspect of claims administration. Other changes in assumptions and methods decreased the claim benefit liabilities by $15.4 million, resulting in a net increase to the liability of $8.2 million.

Impact of claims experience
Total actuarial gains in 2006 were $86.0 million from better-than-expected claim cost experience of $126.8 million compared to the prior valuation, offset by a loss of $40.8 million relating to the difference between actual and expected long-term cost of living adjustments and inflation.

Claims experience gains totalling $126.8 million, which decreased the liability, include the following significant factors:

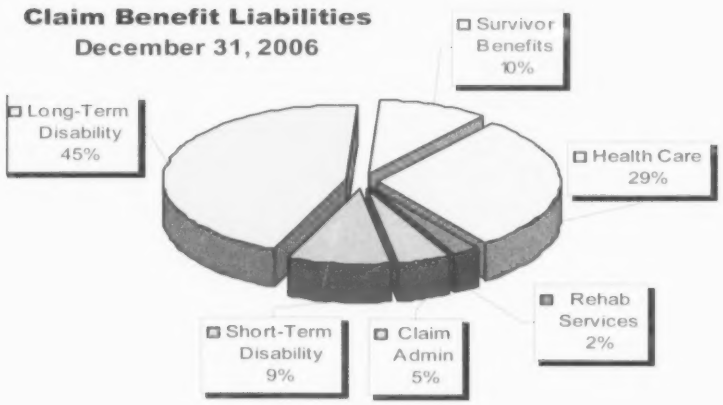
- $50.2 million gain from lower Economic Loss Payment (ELP) benefit costs offset by higher health care costs.
- $29.1 million gain due to lower utilization, mainly related to Temporary Total Disability (TTD).
- $13.6 million gain from differences in ELP incidence rates.
- $33.9 million gain from differences between actual and expected payments for prior years' injuries.

The $50.2 million gain arose primarily from actual wage growth experience that was better than expected for individuals receiving ELPs – meaning more workers returned to at least their pre-accident wage level, and payments for those continuing to receive ELPs were lower than expected. This trend resulted in experience gains of $75.0 million. Health care benefit payments for Personal Care Allowances were higher than expected, resulting in experience losses of $37.1 million, arising primarily from the pressures of an imbalance in the supply and demand for personal care attendants.

Successful claim resolution continues to have a positive effect on the liability for TTD benefits. The total number of TTD days paid was down by 4.4% in 2006 as compared to 2005, contributing to a gain of $19.1 million in utilization experience.

Sensitivity of actuarial assumptions
Claim benefit liabilities are estimated primarily using actuarial assumptions for the discount rate based on expected investment earnings, the claim incidence rate, cost escalation rate, and benefits duration. Due to the large values involved, the liability estimates are highly sensitive to even small changes in these actuarial assumptions.

Details of the changes in claim benefit liabilities during 2006, as well as further discussion of the sensitivity of actuarial assumptions, can be found in Note 10, Claim Benefit Liabilities, in the accompanying financial statements and notes.



Funded Position

As at December 31, 2006, the Funded Position (net assets, or the ratio of total assets to total liabilities) was 136.5%, compared to 132.4% at the end of 2005. Viewed from another perspective, WCB has total assets of $6.8 billion to cover its total estimated liabilities of $5.0 billion. This position is the result of sustained economic growth, successful case management initiatives, and robust financial markets. WCB-Alberta is the only board in Canada that has paid, and is planning to pay, a special dividend to return excess funding to employers in 2006 and 2007, with estimated payouts of $431.6 million and $443.3 million, respectively.

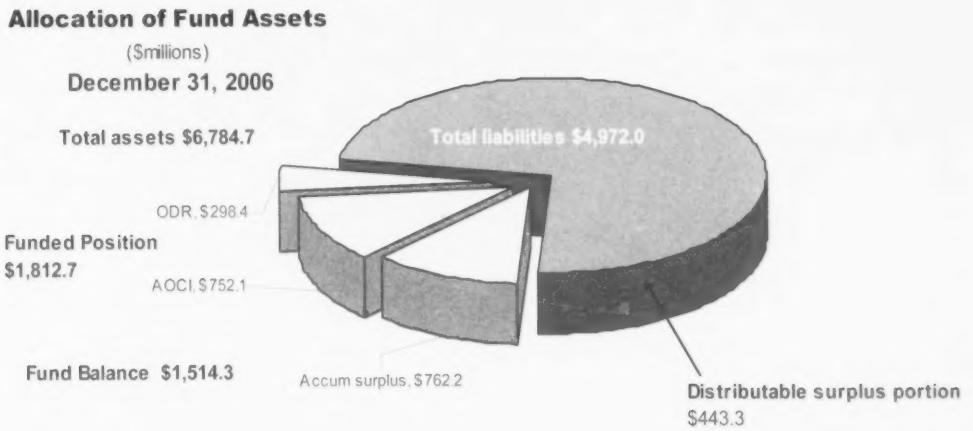
WCB's Funded Position of $1,812.7 million includes $1,514.3 million in Fund Balance plus $298.4 million in the Occupational Disease Reserve (ODR).

Fund Balance

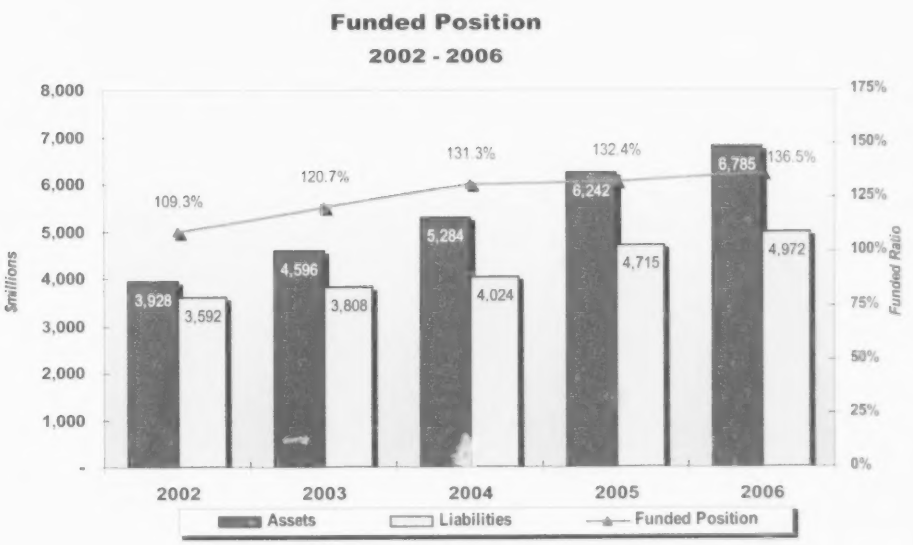
The Fund Balance is comprised of $762.2 million in accumulated operating surplus and $752.1 million in accumulated other comprehensive income. The Fund Balance increased $271.0 million over 2005, primarily due to an operating surplus of $749.4 million, offset by a special dividend of $443.3 million declared for 2006, a transfer to the ODR of $15.4 million and a net decrease in unrealized investment gains of $21.0 million.

Reserves

In addition to the Fund Balance, reserves represent the other significant component of the Funded Position. Reserves required for rate or benefit stabilization purposes are established and maintained through an appropriation from the Fund Balance. An example is the current reserve for occupational disease, which had a year-end balance of $298.4 million, based on 6% of total liabilities, to cover potential future liabilities related to latent disease claims.



The chart below presents the Funded Position from 2002 through 2006. For comparability with current results, assets and liabilities for fiscal years 2002 and 2003 have been restated to reflect fair-value accounting. Without the special dividends in 2005 and 2006, the Funded Position would have been 145.8% and 159.3%, respectively.



Workers' Compensation Board – Alberta

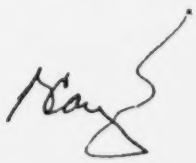
Balance Sheet

As at December 31

($ thousands)	Notes	2006	2005
ASSETS			
Cash and cash equivalents		**$ 61,898**	$ 51,788
Receivables	4	**119,065**	109,832
Investments	5, 6	**6,551,728**	6,028,112
Property, plant and equipment	7	**52,029**	51,770
		$ 6,784,720	$ 6,241,502
LIABILITIES			
Payables and accruals	8	**$ 131,805**	$ 116,327
Dividends payable	9	**443,344**	433,033
Claim benefit liabilities	10	**4,396,900**	4,165,900
		4,972,049	4,715,260
FUNDED POSITION			
Fund Balance		**1,514,271**	1,243,242
Occupational Disease Reserve		**298,400**	283,000
		1,812,671	1,526,242
		$ 6,784,720	$ 6,241,502
COMMITMENTS	21		
CONTINGENCIES AND INDEMNIFICATION	22		

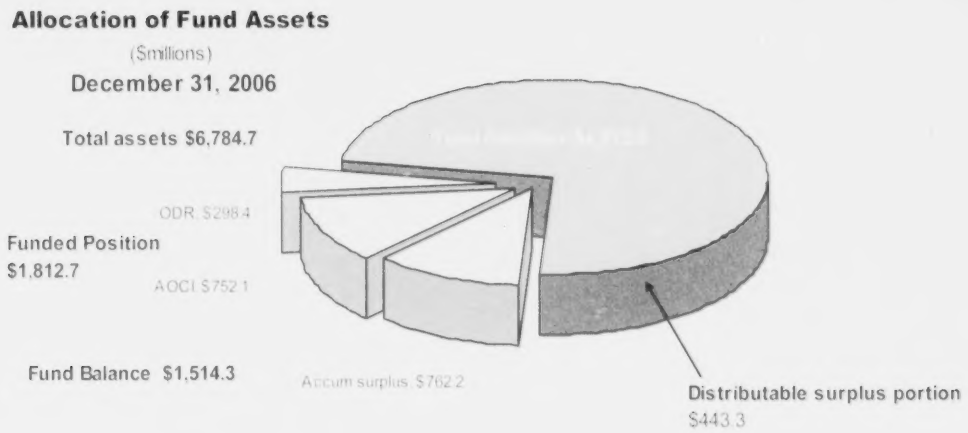
The accompanying notes are an integral part of these financial statements.

Approved by the Board of Directors:



David B. Carpenter, FCA
Chair, Board of Directors

Guy R. Kerr
President and Chief Executive Officer



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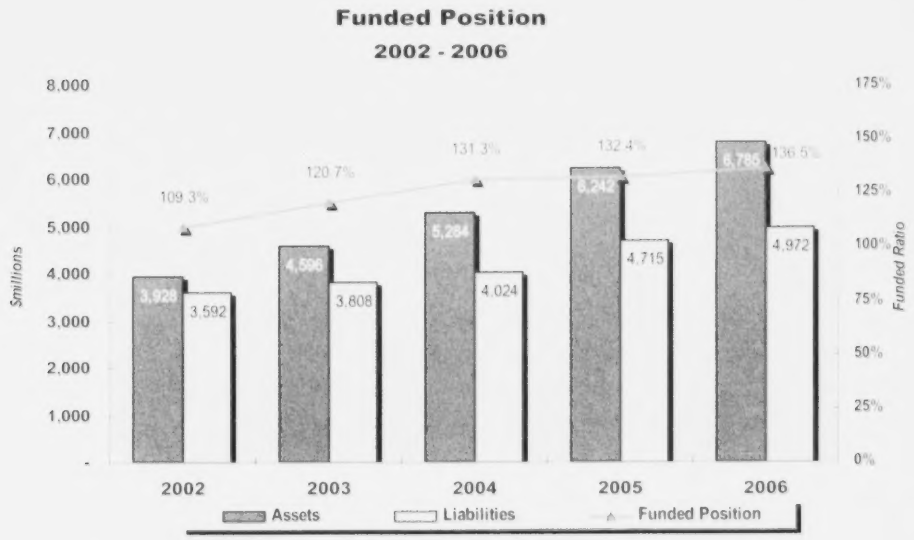

Workers' Compensation Board – Alberta

Statement of Operations

Year ended December 31

($ thousands)		2006		2005
	Notes	Budget	Actual	Actual
REVENUE				
Premium	12	$ 860,854	$ 1,003,292	$ 978,910
Investment	13	461,325	718,173	556,214
Other	14	390	2,133	1,763
		1,322,569	1,723,598	1,536,887
EXPENSES				
Claim costs	10	944,685	877,012	860,972
Administration	15	66,800	66,427	63,200
Injury reduction	18	21,634	22,226	18,916
Appeals Commission	19	9,456	8,526	8,174
		1,042,575	974,191	951,262
OPERATING SURPLUS		$ 279,994	$ 749,407	$ 585,625

The accompanying notes are an integral part of these financial statements.

Workers' Compensation Board – Alberta

Statement of Comprehensive Income

Year ended December 31

($ thousands)		2006		2005
OPERATING SURPLUS	**$**	**749,407**	$	585,625
OTHER COMPREHENSIVE INCOME				
Net unrealized gains on available-for-sale investments arising during the year		**501,130**		412,024
Net investment (gains) realized during the year and reported in the statement of operations		**(524,911)**		(301,571)
Loss realized during the year from write-down of impaired investments and reported in the statement of operations		**2,740**		2,828
		(21,041)		113,281
TOTAL COMPREHENSIVE INCOME	**$**	**728,366**	$	698,906

The accompanying notes are an integral part of these financial statements.

Risk Management

Oversight

Under the WCB corporate governance structure, the Board of Directors is responsible for overall risk management. The executive team, which has a mandate to identify and manage enterprise level risk, is assisted by the Risk Management Committee, comprised of a group of senior managers with responsibility for risk identification, assessment, and mitigation at the operating level.

Risk Assessment

WCB has three primary processes for managing risk in the corporation. First, risk management is embedded as an inherent function of day-to-day business. Projects or changes to business processes are required to go through a documented risk analysis to assess the risk to the corporation and to identify mitigation plans and controls to lessen/eliminate the likelihood or impact of these risks. The second process is to systematically complete a comprehensive risk assessment of emerging corporate risks as they develop throughout the year. Finally, WCB also completes an annual corporate risk assessment that engages departmental management teams, and senior managers to develop a comprehensive organizational risk register. The executive team prioritizes those risks with the highest potential residual impact to the corporation and selects a number for comprehensive risk assessment.

Significant Risks

WCB has identified the following risk exposures that could have significant impact on the organization and its operations.

Investment risk
In its investment portfolio, WCB is exposed to financial risk, which is the risk that the fair value of its investments and/or associated cash flows may change because of changing general economic conditions or factors specific to individual securities. Details of financial risks related to investments are discussed in Note 6 Financial Risk Management in the accompanying financial statements and notes.

Benefit cost risk
Many of WCB's current and future claims are subject to external factors that have potentially significant impacts on the amount and duration of related benefit costs. These risks and uncertainties are largely driven by economic conditions, such as escalation of health care costs and wage growth; however, other factors may arise through administrative precedents established through the appeals process, legislative changes, or from new medical findings for occupational disease, among others. All these factors add significant uncertainty to WCB's cost structure and may impose, over time, significant new burdens on the funding model.

Funding risk
Managing the components of WCB's overall Funded Position (Fund Balance and Occupational Disease Reserve) is a complex process that involves excellent forecasting and operational performance, liability projection, and investment management. Although these processes are within management's influence or control, many of the assumptions used in forecasting involve

Workers' Compensation Board – Alberta

Statement of Changes in Funded Position

Year ended December 31

($ thousands)	Notes	2006	2005
FUND BALANCE			
Accumulated operating surplus			
Balance, beginning of year		**$ 470,070**	$ 358,978
Operating surplus		**749,407**	585,625
Dividends	9	**(441,937)**	(433,033)
Transfer to reserve		**(15,400)**	(41,500)
		762,140	470,070
Accumulated other comprehensive income			
Balance, beginning of year		**773,172**	659,891
Other comprehensive income		**(21,041)**	113,281
	5	**752,131**	773,172
Fund Balance, end of year		**1,514,271**	1,243,242
OCCUPATIONAL DISEASE RESERVE			
Balance, beginning of year		**283,000**	241,500
Transfer from accumulated operating surplus		**15,400**	41,500
		298,400	283,000
		$ 1,812,671	$ 1,526,242

The accompanying notes are an integral part of these financial statements.

significant uncertainty regarding the future. Asset-liability management is a current priority to provide better systems, tools, processes, and information to enhance forecasting, financial planning, and decision making processes within WCB.

Fraud-related risk
WCB annually collects approximately a billion dollars in premium revenue and distributes or reserves a similar amount for claim benefits and administrative costs. The magnitude of these costs and the number of individuals and companies involved in these processes - approximately 127,000 employers, 180,000 claimants, and thousands of service providers – creates an inherent risk for fraud. The executive team assessed the organization's ability to protect against fraud issues, and additional controls have been implemented to strengthen WCB's management of fraud risk.

Technology risk
To support its core business processes, WCB utilizes a number of information systems for processing transactions and maintaining claimant and employer information. If these systems were to fail or were compromised, this could result in significant disruption to business processes and customer service. To mitigate technology risk, WCB maintains a business continuity plan, systems controls and backup systems to prevent processing failures and provides extensive training to develop internal system expertise.

Significant Accounting Policies and Estimates

The adoption of accounting policies in accordance with Canadian Generally Accepted Accounting Principles (GAAP) requires that management make assumptions and estimates that could significantly affect the results of operations and the financial condition. The following discusses significant accounting policies and estimates that may have a material effect on current and future financial statements.

Premiums
On an annual basis, WCB's funding requirements are estimated for the next five years. In advance of the fiscal year, and based on the Funding Policy and projections in the Five-Year Plan, WCB determines the total premium amount necessary to cover estimated claims costs, transfer levies, administration expenses, and funding requirements. As premium rates are set well in advance of revenue being realized, they reflect macroeconomic and business assumptions that will likely change prior to and during the fiscal period. Consequently, the premiums collected may be more or less than sufficient to cover estimated funding requirements, and the difference could be significant under dynamic business conditions.

Investments
Investment assets are financial instruments that have been designated as available-for-sale securities, whose primary purpose is to maintain capital and to generate investment income over the long term. As WCB accounts for investments at fair value, which reflects realizable market value, this accounting policy could lead to significant volatility in the balance sheet in turbulent capital markets. Any funding ratios based on asset values would therefore be volatile as well.

Derivatives
Certain derivative contracts, which are primarily interest-rate swaps and cross-currency interest-rate swaps, are designated as hedges of market risks for the purposes of hedge accounting. Hedge accounting recognizes gains and losses from derivatives in the same period as the gains and losses of the securities being hedged on an accrual basis. Derivatives used for hedging purposes must meet stringent hedge-accounting requirements. When hedge accounting is not applied, all realized and unrealized gains and losses from derivatives are recognized in investment income in the respective periods in which they arose. Derivative contracts not designated as hedges for the purposes of hedge accounting, which are primarily bond index swaps, equity index swaps, equity index futures, forward foreign exchange contracts, credit default swaps and options, are recorded at fair value.

WCB is indirectly exposed to hedge accounting in its pooled investments but does not apply hedge accounting in its segregated investments, as hedge accounting is optional. Since the fair value of a derivative is based on an underlying security or reference index that is exposed to market changes, derivative positions could be volatile as well.

Asset capitalization and amortization
The acquisition or development costs of long-lived assets are amortized over their useful lives. The selection of applicable costs to capitalize and the estimate of asset-useful life both require the application of professional judgment within the context of corporate policy and industry practice. Furthermore, future periods will be affected by the choice of useful life and amortization pattern, which determine the timing and amount of expense recognized in each of those future periods.

Valuation of claim benefit liabilities
WCB has significant long-term obligations for compensation benefits to injured workers. These liabilities have maturities extending decades into the future, representing a continuing stream of cash outflows in each accounting period. WCB applies the Actuarial Present Value methodology for its claim benefit liabilities. The actuarial process projects each benefit cost stream for a number of years into the future and discounts them to present value using a discount rate linked to the return on investment assets funding those liabilities. Measurement uncertainty is high because estimates of the amount, timing, and duration of the benefit commitments, and the expected future return on assets, are all difficult to predict accurately, and are influenced by external factors outside management's control. Consequently, the selection of one assumption over another in estimating claim benefit liabilities could have a material impact on the liability valuation.

Premium revenue
Premiums are billed when employers report their annual insurable payroll, based on the premium rate for their industry, the experience rating, and the custom pricing structure, if applicable. Premiums are estimated for those employers who report late or do not report. Reported payrolls are periodically audited, and prior years' premiums may be adjusted based on audit findings. Consequently, premiums for the period may be affected by the current year estimate as well as adjustments related to prior periods. Finally, the Partners in Injury Reduction (PIR) rebate program also directly affects premium revenue for the current and following period, when the estimate is adjusted to the actual amount paid.

Investment revenue
The policy choice of available-for-sale investment accounting allows WCB to minimize investment income volatility by deferring recognition of unrealized holding gains and losses through

Accumulated Other Comprehensive Income (AOCI). Such deferred gains and losses are recognized in income when realized (i.e., when securities are sold, written down, or no longer qualify as financial instruments) through reclassification from AOCI to the statement of operations. Volatility of capital markets, timing of asset sales, and portfolio turnover could have material impacts on the balance sheet, statement of operations, and statement of comprehensive income.

Governance and Compliance

Legislative authority
Under the authority of the *Workers' Compensation Act*, WCB is a provincial board-governed organization that operates independently while reporting to the Minister of Employment, Immigration and Industry (the minister).

Accountability Framework reporting
Through consultation with the minister and stakeholders, an Accountability Framework was approved in 2002 to provide Albertans with a set of performance measures that compare actual WCB results against established standards and/or industry benchmarks. These measures, which are tracked over a three-year period to illustrate trend information, cover such areas of WCB operations as communications with stakeholders, client satisfaction, consistency, clarity, and fairness of claim decisions, timeliness and effectiveness of WCB services, financial capability, and effectiveness of injury prevention programs. The Auditor General reviews the reported measures for completeness, reliability, comparability, and clarity, but does not audit the results.

The 2006 Accountability Framework Report can be accessed online at www.wcb.ab.ca.

Internal controls over financial reporting
In 2005, WCB launched a voluntary initiative to establish a governance structure and ancillary processes related to internal controls over financial reporting (ICOFR). WCB has developed a framework and plan for the overall ICOFR program, which is anticipated to require several years to complete. The framework is based on best practices under the COSO[5] and COBIT[6] frameworks. The ICOFR program will proceed with key involvement by WCB's Management Audit group and will coordinate with the Office of the Auditor General with respect to integration with its annual financial audit.

Business planning
An important aspect of the financial planning and budgeting process is its linkage to the WCB's strategic plan and the resulting corporate objectives that are developed each year in support of the strategic plan. These objectives and the related performance indicators set the direction for the organization and identify the significant areas of focus for the coming year. The 2007–2011 financial plan, which includes the 2007 budget, establishes the foundation for appropriate resource allocation towards attaining these corporate objectives.

The 2007 preliminary Corporate Objectives and Performance indicators were approved by the Board of Directors in September 2006. The 2007–2011 Five Year Plan and 2007 Operating

[5] Committee of Sponsoring Organizations of the Treadway Commission, which developed a widely accepted governance framework for internal control.
[6] Control Objectives for Information and related Technology, a collection of best practices for IT governance, control, and assurance.

Budget, which were developed in accordance with the approved objectives and performance targets, were reviewed and approved by the Board of Directors in October 2006.

WCB's 2007 Budget and 2007–2011 Financial Plan can be reviewed at www.wcb.ab.ca

Emerging Issues

International Financial Reporting Standards
In January 2006, the Canadian Accounting Standards Board (AcSB) ratified the 2006-2011 strategic plan entitled *Accounting Standards in Canada: Future Directions*, which committed Canadian reporting entities to follow international accounting rules. The plan proposes to eliminate Canadian Generally Accepted Accounting Principles and replace it with International Financial Reporting Standards (IFRS) for Canada's publicly traded companies over a five-year transitional period.

WCB has been monitoring these developments to ensure that accounting standard changes affecting WCB's financial results are addressed proactively. During 2006, WCB began planning for the changeover by conducting preliminary research on the accounting requirements of IFRS. A high-level evaluation and convergence strategy will be completed in 2007, followed by a more detailed implementation plan in 2008.

FUTURE ACCOUNTING POLICY CHANGES

Accounting changes
In July 2006, the AcSB issued the amended Section 1506 *Accounting Changes*, effective for fiscal periods beginning on or after January 1, 2007, with earlier adoption encouraged. The amendments permit voluntary changes in accounting policy only if they result in financial statements providing reliable and more relevant information, require accounting changes to be applied retrospectively unless impracticable to do so, prescribe retrospective correction of prior period errors; and require additional disclosures in respect of accounting changes. Section 1506 is not expected to have any impact on future results of operations or financial condition.

Capital disclosures
In December 2006, the AcSB issued a new accounting standard Section 1535 *Capital Disclosures*, effective for fiscal periods beginning on or after October 1, 2007, with earlier adoption encouraged. This standard requires an entity to disclose information about its objectives, policies, and processes for managing capital, as well as its compliance with any externally imposed capital requirements. Section 1535 is not expected to have any impact on future results of operations or financial condition.

Financial instruments
In December 2006, the AcSB issued the amended Section 3862 *Financial Instruments – Disclosure* and Section 3863 *Financial Instruments – Presentation* to replace Section 3861 *Financial Instruments – Presentation and Disclosure*. Both sections are effective for fiscal periods beginning on or after October 1, 2007. In addition to providing enhanced disclosure of risks associated with financial instruments, Section 3862 requires the entity to explain how those

risks are managed. Section 3863 remains largely unchanged from the previous standard. As these amendments affect only presentation and disclosure of financial instruments, they will not have any impact on future results of operations or financial condition.

Looking Ahead

For 2006, WCB delivered another strong financial performance, highlighted by solid premium growth, an increase in investment returns, continuing improvement in service delivery, and successful claims resolution and return-to-work initiatives. WCB expects to carry this momentum into 2007, although the risks and uncertainties of a strong economy, coupled with volatile capital markets, will present significant challenges for accurate forecasting and planning in all facets of the business. The following discussion considers those economic factors that could have a major impact on future WCB financial results.

ECONOMIC OUTLOOK

For 2007, all major global economies should experience some moderation of their recent GDP growth, led by the slowdown in the U.S. economy. Canada will likely see 2.9% growth, a modest increase from the 2.8% growth in 2006, while Alberta can expect real GDP growth of 5.0%, down from 7.0% in 2006[7], however, the key economic indicators that have significant implications for WCB are employment and wage growth.

The Conference Board of Canada's forecasted slowdown for the Alberta economy in 2007 is not expected to have an effect on WCB's outlook for planning purposes. Over the past few years, the Conference Board predictions of Alberta's economic growth have differed markedly from WCB's experience and forecasts as the population of workers covered by WCB have experienced higher wage growth than the overall provincial average. Consequently, the planning approach for 2007 considered the Conference Board's wage growth projection for 2007 as a starting point and adjusted it in light of recent WCB experience. Using the Conference Board growth rate of 5.0% for 2007 would generate an 8.8% increase in insurable earnings for 2007; however, WCB's experience and analysis of the Alberta economy supports a more aggressive growth rate of 9.9% for 2007 insurable earnings.

Furthermore, the wage and employment growth rates used to project insurable earnings are higher than those in most of the widely used economic forecasts, as the forecasters' data tend to lag. For 2007, WCB is forecasting claimant wage growth of 8.0% compared to the Conference Board's projected Alberta rate of 5.25%; however, WCB employment growth of 4.4% is lower than the Alberta forecast of 6.5% due to exempt industries being excluded.

INVESTMENT OUTLOOK

The market performance of the past three years cannot be sustained over the long term. From 2003 to 2006, the investment portfolio earned rates of return greater than 10% annually. With current bond yields barely over 4%, low inflation, and dividend yields in the 2% to 3% range, there is no reasonable basis for expecting continued double-digit returns. In the near term, volatile,

[7] *Conference Board of Canada Forecast Winter 2007* as cited in Alberta Finance *Current Economic Indicators by Province* for week ending March 2, 2007.

single-digit rates of return are more likely. For 2007 and beyond, the total portfolio return has been set at 6.0% for planning purposes.

The uncertainty of market returns, as always, presents difficult challenges for maintaining financial stability. The investment strategy, which has a balanced focus on minimizing volatility while maximizing returns, calls for new mandates that should help achieve this goal.

BUSINESS OUTLOOK

Customer operations

On the customer operations front, WCB will continue to look for opportunities to improve outcomes. Being able to maintain current service levels and improving on an already-high level of quality will be a challenging task in the face of rising claim volume, escalating costs, and a tight market for qualified staff. The proven effectiveness of WCB's service delivery model is a solid platform for continuing success, which relies on the dedication and professionalism of its staff to deliver services compassionately and in a timely and effective fashion.

WCB continues to be successful in injury management, having reached the lowest time-lost claim rate per 100 covered workers in its history; however, it is likely that this trend may be levelling off. Management remains cautiously optimistic that some improvement is still attainable. Accordingly, modified work will continue to be promoted, while ensuring that it provides meaningful work that leads to sensible outcomes for employers and workers. For 2007, modified work claims are expected to rise by 10.0%, time-loss claim volume is expected to grow by 5.0% to 41,300, with the number of covered workers increasing to 1.78 million - a 4.7% increase - and claim duration is projected to remain stable at approximately 34.8 days.

Financial management

WCB will continue to execute effective financial management strategies by enhancing the existing Asset-Liability Management framework. This framework represents a holistic approach to financial analysis, planning and decision making.

2007 premium rate

For 2007, the expected average industry premium rate was reduced by 8.9% to $1.43 per $100 of insurable earnings, compared to $1.57 in 2006. This decline in the average premium rate is attributable to stable accident frequency and claim costs, while insurable earnings are forecasted to grow by 9.9%. As well, effective safety initiatives are anticipated to limit the growth in claims to less than the growth in insurable earnings.

With all WCBs announcing their rates for 2007, WCB-Alberta continues to have the lowest average premium rate in Canada. Alberta's premium rates have been consistently among the lowest in Canada over the past five years.

Uncertainties and challenges for 2007 and beyond

WCB management is fully cognizant that current financial results are not indefinitely sustainable and that it is prudent to plan for an eventual downturn. As part of the strategic planning process, the following risk scenarios have been identified and incorporated, where appropriate, in current financial plans:

- Mounting claim volume related to escalating employment growth will stress the current service level, driving the need to recruit scarce qualified staff to support the rising demand for services.
- Although energy prices are expected to remain high, growth in the sector may be constrained by increasing financing costs, the shortage of qualified workers, and infrastructure limitations. Accordingly, new capital investment and/or business expansion may slow down or be deferred, resulting in a lower rate of growth.
- Premium growth due to employment and wage growth may be more than offset by inflationary pressure on future claim costs, and related liabilities may rise significantly due to greater claim volume, health care inflation, etc.
- With the shortages of experienced and skilled workers in the current labour force, employers are recruiting less-experienced workers, thus running the risk of increased injury frequency.

Management will be closely monitoring economic, business, and operating trends inherent in these scenarios to develop a proactive and meaningful response to emerging adverse conditions as organizational needs arise.

OUTLOOK FOR FINANCIAL CONDITION

At the end of 2006, WCB's finances are solid with a Funded Position of 136.5% of assets to liabilities, even after a special dividend of $443.3 million payable in 2007. The Accident Fund is expected to remain fully funded, with a Funded Position for 2007 of 124.6% after a $286 million special dividend. Ongoing commitment to operational excellence will help ensure manageable cost escalation and rate stability for the near future.

However, given rising claim volume, plateauing of claim duration outcomes, and uncertainty of future investment returns, it is unlikely that future financial performance or special dividends will remain at current levels. Once the surplus-distribution process has achieved its objective of bringing the Funded Position into the target funding range, the frequency and amount of future dividends are expected to be relatively lower or even unnecessary.

FUTURE DIRECTION

WCB will continue to respond to stakeholder needs and concerns with customer-focused initiatives that make it easier for clients to deal with workplace injuries.

Beyond the foreseeable horizon, the key to the sustainability of financial results and the stability of WCB's already-solid fundamentals is to maintain a constant focus on what WCB does best – reducing the impact of workplace illness and injuries on Albertans by helping injured workers return to work as quickly and safely as possible.

Responsibility for Financial Reporting

The financial statements of the Workers' Compensation Board were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

The WCB's actuarial staff performs an annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB.

The Board of Directors is responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the Annual Report.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements and meets periodically with management, external auditors, and actuaries concerning internal controls and all other matters relating to financial reporting.

Eckler Ltd. has been appointed as the independent peer review actuary to the WCB. Their role is to complete an independent review of the annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally accepted actuarial practices.

The Office of the Auditor General, the independent auditor of the WCB, has performed an independent audit of the financial statements of the WCB in accordance with Canadian generally accepted auditing standards. The Auditor's Report outlines the scope of this independent audit and the opinion expressed.

David B. Carpenter, FCA
Chair, Board of Directors

Guy R. Kerr
President and
Chief Executive Officer

Ron J. Helmhold, CA
Chief Financial Officer

Workers' Compensation Board

To the Board of Directors of the Workers' Compensation Board – Alberta

I have completed an actuarial valuation of the benefit liabilities under the Workers' Compensation Act of Alberta as at December 31, 2006, for the financial statements of the Workers' Compensation Board.

My estimate of the benefit liabilities of $4,396.9 million represents the actuarial present value at December 31, 2006, of all expected short term disability benefits, long-term disability benefits, survivor benefits, health care payments, rehabilitation payments and claims administration expenses related to claims which occurred on or before December 31, 2006. This estimate is based on the legislation, policies and administrative practices in effect at December 31, 2006. The benefit liabilities do not include a provision for future claims arising from latent occupational disease or for benefits and payments that are on a self-insured basis.

The following are the main assumptions used in this valuation. These are the same assumptions that were used in the 2005 valuation. Changes in other assumptions are noted in the report "Actuarial Valuation of the Liabilities of the Accident Fund as of December 31, 2006."

The economic assumptions underlying the calculations made in this report are a 3.25% per annum real rate of return on invested assets and an annual change in Consumer Price Index of 2.50%. Benefits that are increased in accordance with the Cost of Living Adjustment policy are assumed to increase at a rate of 2.00% and are therefore valued using a net discount rate of 3.75% per annum. Health Care and Rehabilitation benefits are assumed to grow at annual rates of 6.75% and 3.50% respectively and are valued using net discount rates of -0.86% and 2.25% respectively.

Pharmaceutical costs are assumed to grow at a rate of 9.75% per annum over a select period of five years following the valuation date. This category reverts to the long term Health Care growth rate of 6.75% following the select period.

Self Managed Personal Care Allowances are assumed to grow at a rate of 2.00% per annum over a select period of three years following the valuation date. Payments are adjusted to be consistent with current market values every 7 years starting in 2010. The adjustment is determined as $(1.0675/1.02)^7$. $((1+\text{Health Care Inflation})/(1+\text{COLA}))^7$.

Liabilities in respect of permanent disability and survivor benefits are based on factors developed from historical patterns of awards and mortality rates. Liabilities in respect of Economic Loss Payments are based on a combination of the Alberta Workers' Compensation Board's own experience and the experience of another Canadian Workers' Compensation Board that has been providing similar benefits for a longer period of time.

Liabilities in respect of all other benefits are based on a continuation of recent payment patterns by year since accident.

I have reviewed the valuation data for reasonableness and consistency with data used in prior years and with data used in the financial statements.

In my opinion the data is sufficient and reliable, the actuarial assumptions are appropriate for the purpose of the valuation and the methods employed are consistent with accepted actuarial practice. This valuation report has been prepared and my opinion has been given in accordance with accepted actuarial practice.

Michael Williams, F.S.A., F.C.I.A.

Chief Actuary
Workers' Compensation Board – Alberta

March 13, 2007

7. Property, Plant and Equipment

($ thousands)	2006			2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,092	$ -	$ 1,092	$ 1,092
Buildings	38,646	14,875	23,771	23,858
Equipment	8,410	6,973	1,437	1,394
Computer software	90,326	71,444	18,882	12,914
Software under development	6,847	-	6,847	12,512
	$ 145,321	$ 93,292	$ 52,029	$ 51,770

8. Payables and Accruals

($ thousands)	2006	2005
Partners in Injury Reduction rebates	$ 75,806	$ 78,259
Accrued staff benefits	23,184	20,534
Other	32,815	17,534
	$ 131,805	$ 116,327

Partners in Injury Reduction (PIR) rebates are paid to those employers that have met the eligibility requirements. The estimated rebate amount is based on several factors including premiums paid, year-over-year improvement on claims experience, and safety performance relative to industry benchmarks, among others. Historically, the PIR rebate accrual has ranged from 6% to 8% of total processed premiums.

9. Dividends Payable

In accordance with the Funding Policy, the Board of Directors authorized a special dividend for 2006 with final approval of the 2006 audited financial statements. Dividends of $441,937 (2005 – $433,033) are net of an adjustment of $1,407 to the 2005 accrual. Dividends payable for 2006 of $443,344 (2005 – $433,033) represent amounts owing to employers that have met the eligibility criteria for the special dividend during the year.

10. Claim Benefit Liabilities

As at December 31, 2006, claim benefit liabilities are estimated by WCB's internal actuary and independently reviewed by an external actuary. Claim benefit liabilities include a provision for all benefits provided by current legislation, WCB policies, and administrative practices. It also includes a provision for the future expenses of administering those benefits. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period.

The claim benefit liabilities of WCB are of a long-term nature, and the actuarial assumptions and methods used to calculate the reported claim benefit liabilities therefore are based on considerations of future expenditures over the long term. Changes in future conditions within one year of the financial statement date could require a material change in the recognized amounts.

Eckler Ltd.
Consultants and Actuaries

Consulting Actuary's Report on
the Valuation of the Benefit Liabilities of
the Workers' Compensation Board – Alberta
as at December 31, 2006

I have reviewed the actuarial valuation of the benefit liabilities of the Workers' Compensation Board – Alberta (WCB) as at December 31, 2006 with respect to future payments for short term disability, long term disability, survivor benefits, health care, rehabilitation and claim administration costs on account of claims that occurred on or before that date.

The WCB's Actuarial Services Department is responsible for this valuation and the Chief Actuary has provided his opinion that the data is sufficient and reliable for the purpose of the valuation, the actuarial assumptions are appropriate for the purpose of the valuation and the methods employed are consistent with accepted actuarial practice, and that his valuation report has been prepared and his opinion has been given in accordance with accepted actuarial practice.

The valuation was based on the provisions of the Workers' Compensation Act of Alberta and on the WCB's policies and administrative practices in effect as of December 31, 2006. I have examined the appropriateness of the data and the procedures used to verify its integrity, the assumptions and methods selected for the valuation, as well as their application for the calculation of the benefit liabilities.

For this valuation, some changes were made to the assumptions employed to value the liabilities for long term disability and survivor benefits when compared with those used in the previous valuation.

The estimate of the benefit liabilities of $4,396.9 million represents the actuarial present value of future payments with respect to claims occurred on or before December 31, 2006. In my opinion, that amount makes reasonable provision for future payments for short term disability, long term disability, survivor benefits, health care, rehabilitation and claim administration costs on account of claims that occurred on or before that date; it does not include a provision for future claims arising from latent occupational disease or for benefits and payments that are on a self-insured basis.

In my opinion, the data on which the valuation is based is sufficient and reliable, the assumptions, in aggregate, are appropriate for the purposes of the valuation, and the methods employed are also appropriate. This report has been prepared and my opinion given in accordance with accepted actuarial practice.

Richard Larouche, F.S.A., F.C.I.A.
Actuary
Eckler Ltd.

March 13, 2007

10. Claim Benefit Liabilities – continued

These future expenditures are expressed in constant dollars discounted at the real rate of return on investments, that is, the difference between expected investment earnings and the expected increase in benefits payable.

Wage based disability payments and rehabilitation and claim administration costs are discounted at the rates shown in the table below. Health care costs are ultimately discounted at negative 0.86% (2005 – negative 0.86%) to reflect expected higher increases in health care costs and utilization.

The table below presents key assumptions used to determine the claim benefit liabilities:

($ thousands)	2006	2005
Liability discount rates		
General discount rate	**3.25%**	3.25%
Wage-based disability payment rate	**3.75%**	3.75%
Rehabilitation and claim administration rate	**2.25%**	2.25%
Health care rate	**-0.86%**	-0.86%

These net discount rates are based on underlying assumptions of 5.83% (2005 – 5.83%) per annum investment earnings, 2.50% (2005 – 2.50%) growth in the Consumer Price Index, 3.50% (2005 – 3.50%) growth in rehabilitation and claim administration costs, and 6.75% (2005 – 6.75%) growth in health care costs.

The table below presents a breakdown of WCB's total claim benefit liabilities by category as at December 31, 2006, with details of the transactions during the year:

($ thousands)	Short-Term Disability	Long-Term Disability	Survivor Benefits	Health Care	Rehab-ilitation	Claim Admin-istration	2006	2005
Claim benefit liabilities, beginning of year	$ 413,200	$ 1,893,800	$ 438,400	$ 1,135,700	$ 115,400	$ 169,400	$ 4,165,900	$ 3,921,300
Add:								
Claim costs incurred:								
Current year injuries	156,258	171,471	21,098	267,494	26,027	75,703	718,051	660,374
Prior years' injuries	(5,980)	28,897	6,822	106,669	(9,751)	32,304	158,961	200,598
	150,278	200,368	27,920	374,163	16,276	108,007	877,012	860,972
	563,478	2,094,168	466,320	1,509,863	131,676	277,407	5,042,912	4,782,272
Deduct:								
Claim payments made:								
Current year injuries	73,858	1,871	1,298	104,394	2,027	20,603	204,051	182,574
Prior years' injuries	87,720	124,197	39,922	123,169	22,149	44,804	441,961	433,798
	161,578	126,068	41,220	227,563	24,176	65,407	646,012	616,372
Claim benefit liabilities, end of year	$ 401,900	$ 1,968,100	$ 425,100	$ 1,282,300	$ 107,500	$ 212,000	$ 4,396,900	$ 4,165,900

AUDITOR GENERAL
Alberta

Auditor's Report

To the Board of Directors of the Workers' Compensation Board - Alberta

I have audited the balance sheet of the Workers' Compensation Board – Alberta as at December 31, 2006 and the statements of operations, comprehensive income, changes in funded position, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2006 and the results of its operations, results of its comprehensive income, movements in funded position and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
March 21, 2007

Fred J. Dunn FCA
Auditor General

10. Claim Benefit Liabilities – continued

Changes in claim benefit liabilities

The table below is a reconciliation of the changes in the claim benefit liabilities during the year:

($ thousands)	2006	2005
Claim benefit liabilities, beginning of year	**$ 4,165,900**	$ 3,921,300
Add:		
Provision for current year injuries	**514,000**	477,800
Interest accrued on the liabilities	**229,400**	223,400
Difference between actual and expected long-term cost of living adjustments and inflation	**40,800**	(34,100)
Changes in actuarial methods and assumptions:		
Claim admin. liability relating to the Appeals Commission[1]	**23,600**	-
Other changes	**(15,400)**	91,200
	4,958,300	4,679,600
Deduct:		
Payments, for prior years' injuries, excluding self-insured employers	**434,569**	426,807
Claim cost experience lower than expected	**126,831**	86,893
	561,400	513,700
Claim benefit liabilities, end of year	**$ 4,396,900**	$ 4,165,900

[1] A provision for future Appeals Commission expenses for administering appeals related to existing claims was established effective December 31, 2006.

Sensitivity of actuarial assumptions

The most significant assumption in the determination of the claim benefit liabilities is the net discount rate. The net discount rate is the assumed rate of return in excess of the assumed inflation rate. A reduction in the assumed net discount rate would increase the actuarial present value of the claim benefit liabilities.

Health care benefits represent approximately 29% of the claim benefit liabilities. An increase in the assumed excess health care inflation rate (above the assumed inflation rate) would result in an increase in the claim benefit liability for health care.

The table below presents key assumptions used to determine the claim benefit liabilities and the sensitivity of the liabilities to an immediate 0.25% increase or decrease in the assumed rates:

Effect of Assumption Changes on Claim Benefit Liabilities

($ millions)	2006		2005	
+/- % change on assumed rates	**+0.25%**	**-0.25%**	+0.25%	-0.25%
Net discount rate	**$ (115)**	**$ 119**	$ (104)	$ 115
Excess health care inflation rate	**$ 40**	**$ (38)**	$ 36	$ (34)

11. Employee Future Benefits

Pension plans

Employee post-retirement benefits are provided through multi-employer defined benefit pension plans sponsored by the Province of Alberta, namely the Management Employees Pension Plan (MEPP) and Public Service Pension Plan (PSPP). The current employer contribution rate to MEPP is 18.0% of pensionable earnings, with the next actuarial review due no later than

December 31, 2007. The contribution rates for PSPP (effective January 1, 2007) will be 6.69% up to YMPE[1] and 9.55% over YMPE, an 8.4% increase over 2006 rates.

For the year ended December 31, 2006, the expense for these pension plans is equivalent to their aggregate annual contributions of $6,184 (2005 - $5,873).

Supplemental executive retirement plan

WCB sponsors a non-contributory supplemental executive retirement plan (SERP), with the WCB Accident Fund covering the obligations of the plan. The plan ensures that executives whose earnings exceed the threshold earnings for the maximum pension benefit permitted under the federal Income Tax Act will receive pension benefits based on their total earnings.

Long-term disability plan

WCB administers a non-contributory long-term disability (LTD) income continuance plan for its employees, with the WCB Accident Fund covering the obligations of the plan.

At December 31, 2006, the actuarial valuation reported an accrued benefit obligation (actuarial present value of cumulative benefits attributed to employee services to the reporting date) of $10,466 (2005 – $11,340). The discount rate used in determining the accrued benefit obligation was 4.56% (2005 – 4.44%). The assumed rate of salary escalation for participants in the plan was 3.50% (2005 – 3.50%).

The table below is a summary of WCB's employee future benefit plans:

($ thousands)	2006				2005			
	Pensions	LTD	SERP	Total	Pensions	LTD	SERP	Total
Accrued benefit liability, beginning of year	$ -	$ 13,779	$ 329	$ 14,108	$ -	$ 13,629	$ 140	$ 13,769
Pension expense[1]	6,184	1,935	175	8,294	5,873	1,232	109	7,214
Benefit payments	(6,184)	(1,457)	-	(7,641)	(5,873)	(1,082)	-	(6,955)
Actuarial (gain) loss	-	(786)	162	(624)	-	-	80	80
Accrued benefit liability, beginning of year[2]	$ -	$ 13,471	$ 666	$ 14,137	$ -	$ 13,779	$ 329	$ 14,108

[1] Pension expense comprises current service cost and interest.
[2] Accrued benefit liabilities are included in payables and accruals.

12. Premium Revenue

($ thousands)	2006	2005
Premiums	$ 1,079,098	$ 1,057,169
Deduct: Partners in Injury Reduction rebates	75,806	78,259
	$ 1,003,292	$ 978,910

[1] Year's Maximum Pensionable Earnings under the Canada Pension Plan ($42,100 in 2006; $43,700 in 2007)

13. Investment Revenue

($ thousands)	2006	2005
Fixed income[1]		
Conventional bonds	$ 127,943	$ 130,112
Real return bonds	18,283	23,826
Cash and cash equivalents[2]	3,680	1,506
	149,906	155,444
Real estate fund[1]	21,734	13,126
Equities[1]		
Domestic:		
Canada	266,163	243,525
Foreign:		
Global[3]	138,090	73,632
Emerging markets	146,350	74,071
	550,603	391,228
	722,243	559,798
Deduct:		
Other investment expense		
Provision for impairment write-down	2,740	2,828
Investment-related administration expense[4]	1,330	756
	$ 718,173	$ 556,214

1 Investment revenue is net of external manager fees and expenses of $11,063 (2005 - $9,155) charged directly to each fund. External expenses (such as transaction costs, management, custodial, and audit fees, etc.) are netted against the respective revenue sources.
2 Cash equivalents represent a pooled investment in a portfolio of high-quality, short- to mid-term, highly liquid fixed-income securities with an average effective annual yield of 4.55% (2005 – 3.62%).
3 Global equity income includes a loss of $35,881 (2005 - $4,045 gain) for the foreign-currency overlay.
4 WCB internal expenses such as investment administration and accounting are netted against investment income, but not attributed to specific revenue sources.

14. Other Revenue

($ thousands)	2006	2005
Other	$ 236	$ 299
Millard Health[1]	1,897	1,464
	$ 2,133	$ 1,763

[1] Millard Health revenue is net of operating expenses of $23,728 (2005 - $23,642).

15. Administration Expenses

($ thousands)	2006	2005
Salaries and employee benefits	$ 97,809	$ 90,796
Office and communications	22,066	22,570
Amortization of property, plant and equipment	8,325	8,584
Building operations	4,655	4,332
Consulting fees	2,423	2,968
Travel and vehicle operation	989	1,014
Other	261	221
	136,528	130,485
Deduct:		
Claim administration costs	65,407	62,825
Investment management expenses charged to investment revenue	1,330	756
Recovery of costs	3,364	3,704
	$ 66,427	$ 63,200

16. Salaries and Benefits

The table below presents total compensation of the directors and senior management of WCB following the recommendations of the Salary and Benefits Disclosure Directive issued by the Treasury Board of Alberta:

	2006				2005
	Base Salary[1]	Other Cash Benefits[2]	Other Non-Cash Benefits[3]	Total	Total
Chair, Board of Direrctors[4]	$ 77,146	$ -	$ 3,386	$ 80,532	$ 73,659
Board Members[4]	139,146	-	10,133	149,279	166,282
President and Chief Executive Officer	255,000	101,250	70,761	427,011	379,713
Vice President, Customer Service & Disability Management	182,320	54,080	47,214	283,614	258,466
Vice President, Customer Service & Risk Management	182,320	54,080	51,832	288,232	258,556
Vice President, Communications & Information Management	169,260	51,199	46,695	267,154	250,911
Vice President, Employee & Corporate Services	161,070	46,267	40,137	247,474	229,943
Chief Financial Officer[4]	169,110	49,411	43,627	262,148	176,096
Secretary & General Counsel	161,070	46,000	45,027	252,097	232,083

Notes

[1] Base salary includes regular base pay, vacation pay and honoraria.

[2] Other cash benefits include performance awards, special incentive pay and car allowances.

[3] Other non-cash benefits include employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, current service cost of pension plans, medical benefits, group life insurance, disability plans, and professional memberships. No amounts are included for the value of parking and interest-free computer loans.

[4] The Chair of the Board of Directors and the nine Board Members are part-time positions. There were two Board Member vacancies for a period of time during 2006.

[5] The former Chief Financial Officer's last day of employment was October 15, 2005. The current Chief Financial Officer commenced employment January 23, 2006.

Workers' Compensation Board – Alberta

Statement of Cash Flows

Year ended December 31

($ thousands)	2006 Budget	2006 Actual	2005 Actual
OPERATING ACTIVITIES			
Cash inflows			
Employer premiums	$ 892,753	$ 991,825	$ 979,138
Dividend, interest, and derivative income	207,596	206,653	258,890
Realized net investment gains	253,729	524,911	301,571
Other	268	1,323	1,530
Cash outflows			
Benefits to claimants and/or third parties on their behalf	(675,700)	(556,067)	(529,671)
Employee and supplier payments for administrative and other goods and services	(153,665)	(136,794)	(147,966)
Injury reduction program funding	(21,634)	(22,167)	(19,137)
Net cash from operating activities	503,347	1,009,684	844,355
INVESTING ACTIVITIES			
Cash outflows			
Purchase of investments – net of sales	(84,427)	(558,048)	(841,493)
Purchase of capital assets – net of disposals	(9,800)	(9,900)	(6,951)
Net cash used for investing activities	(94,227)	(567,948)	(848,444)
FUNDING POLICY ACTIVITIES			
Cash outflows			
Special dividends to employers	(409,120)	(431,626)	-
Net cash used for Funding Policy activities	(409,120)	(431,626)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	10,110	(4,089)
Cash and cash equivalents, beginning of year	59,000	51,788	55,877
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 59,000	$ 61,898	$ 51,788

The accompanying notes are an integral part of these financial statements.

17. Self-Insured Employers

The financial statements include the effects of transactions on behalf of self-insured employers that directly bear the cost of their workers' claims and an appropriate share of administration expenses. Currently, the Federal Government is the only self-insured employer. This is a contractual relationship in accordance with the *Government Employees Compensation Act*. Certain government-related entities and railways are responsible for the cost of injuries to their workers that occurred when these employers were self-insured in prior years.

Included in the balance sheet is $1,545 (2005 - $760) for receivables.

Aggregate amounts of premiums and offsetting expenses included in the statement of operations are presented below:

($ thousands)	2006	2005
Premium revenue	**$ 9,706**	$ 8,936
Claim costs incurred	**$ 8,195**	$ 7,462
Administration expenses	**1,511**	1,474
	$ 9,706	$ 8,936

18. Injury Reduction

WCB has a statutory obligation to reimburse the Alberta Minister of Finance a portion of the costs associated with administration of the *Occupational Health and Safety Act*. Funding is also provided to industry-sponsored safety associations to promote improved workplace safety practices.

($ thousands)	2006	2005
Occupational Health and Safety	**$ 14,100**	$ 12,100
Safety associations	**8,126**	6,816
	$ 22,226	$ 18,916

19. Appeals Commission

The Appeals Commission, which operates independently of WCB, is administered by the Alberta Ministry of Employment, Immigration and Industry. In accordance with Section 12 of the Workers' *Compensation Act*, the operating costs of the Appeals Commission are funded by WCB from the Accident Fund.

20. Related Party Transactions

Included in these financial statements are transactions with various Alberta Crown corporations, departments, agencies, boards, and commissions related to WCB by virtue of common influence by the Government of Alberta. Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. Statutory funding obligations relating to Occupational Health and Safety and the Appeals Commission are in accordance with the applicable legislation and regulations.

Notes to the Financial Statements

(thousands of dollars unless stated otherwise)

1. Legislative Authority

The Workers' Compensation Board - Alberta (WCB) operates under the authority of the *Workers' Compensation Act* (the Act), Revised Statutes of Alberta 2000, Chapter W-15, as amended.

2. Funding Policy

In accordance with Section 91 of the Act, the Board of Directors established a Funding Policy to ensure that WCB remains financially stable and secure into the future for the benefit of its stakeholders. The Act stipulates the creation of an Accident Fund (the Fund) for the payment of present and future compensation. The Fund is fully funded when the total fund assets equal or exceed total liabilities. This Funded Position (or net assets) represents the current funding status of the Fund. The Funding Policy establishes a target zone for funding sufficiency, below which fund replenishment may be initiated and above which special dividends may be paid, both subject to approval by the Board of Directors through the annual financial plan.

To ensure sufficiency of funds, WCB maintains two reserves within the Accident Fund: the Fund Balance and the Occupational Disease Reserve (ODR).

The Fund Balance covers those costs, not provided for elsewhere, arising from events that might otherwise unfairly burden employers in the short term, or that might otherwise prevent full funding of the Accident Fund. It consists of accumulated net operating surpluses and accumulated other comprehensive income (AOCI), which holds unrealized gains and losses arising from fair-value accounting for investments. It is replenished through accumulated net operating surpluses, accumulated unrealized gains/losses generated by the investment portfolio and, where required, through special funding requirements included in premiums. Conversely, funding beyond the target range, as specified in the Funding Policy, is paid out of the Fund Balance as special dividends.

The ODR was established through an appropriation from the Fund Balance to provide for costs arising from latent occupational injury or disease where a causal link to the workplace has not been established, but may be established in the future. No provision against income has been made for future claims arising from such injury or disease because the determination of such claims cannot be reasonably estimated. The ODR is maintained at 6% of total liabilities in each year through a transfer from or to the Fund Balance.

3. Significant Accounting Policies

Basis of presentation

The financial statements of WCB have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP).

Accounting estimates and measurement uncertainty

The preparation of financial statements in conformity with GAAP requires the use of estimates as at the date of the financial statements that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting periods presented. Measurement uncertainty exists when there is a variance between the recognized amount and another reasonable amount. Some accounting

20. Related Party Transactions – continued

The amounts outstanding at December 31, 2006, and transactions throughout the year are as follows:

($ thousands)	2006	2005
Receivables	$ 1,420	$ 1,759
Payables and accruals	$ 5,684	$ 2,015
Premiums	$ 7,580	$ 8,872
Building operations	$ 23,107	$ 20,661

21. Commitments

WCB has obligations under long-term non-cancellable contracts for office space, leased equipment, and commitments for purchases of goods and services. The following is a schedule of future expenditures:

($ thousands)	2006	2005
2006	$ -	$ 14,117
2007	17,698	10,113
2008	10,412	6,112
2009	2,910	522
2010	1,252	162
Beyond	3,035	3,035
	$ 35,307	$ 34,061

22. Contingencies and Indemnification

Legal proceedings
WCB is party to various claims and lawsuits that are currently being contested. In the opinion of management, the outcome of such claims and lawsuits are not determinable; however, based on the total amount of all such actions, WCB has concluded that the outcomes will not have a material effect on the results of operations or on WCB's financial position.

Indemnification agreements
In the normal course of operations, WCB enters into contractual agreements that contain standard contract terms that indemnify certain parties. The terms of these indemnification clauses will vary based upon the contract and/or the occurrence of contingent or future events, the nature of which prevents WCB from making a reasonable estimate of the potential amount that may be payable to those contractual parties. Such indemnifications are not significant, nor has WCB made any payments or accrued any amounts in the financial statements in respect of these indemnifications.

23. Budget

The Board of Directors approved the 2006 budget in October 2005.

3. Significant Accounting Policies – continued

measurements require management's best estimates, based on assumptions as at the financial statement date, that reflect the most probable set of economic conditions and planned courses of action.

Claim benefit liabilities, the reserve for occupational disease, Partners in Injury Reduction accrual, accrued premiums and accrued dividends payable are the most significant items based on estimates. Actual results could differ from the estimates made by management in these financial statements, and these differences, which may be significant, could require adjustment in subsequent reporting periods.

Comprehensive income
Comprehensive income includes current operating surplus and other comprehensive income (OCI).

OCI is comprised of unrealized fair-value gains and losses from investments less previously deferred unrealized gains and losses that have been realized during the period through sale or provided for as a write down and recognized in current income.

Accumulated other comprehensive income (AOCI) includes unrealized fair-value gains and losses arising from holding investments. When the underlying securities are subsequently sold or written down, the resulting realized gain or loss is released from AOCI into investment income in the statement of operations.

Foreign currency translation
Monetary assets and liabilities denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities are translated at the historical exchange rate. Foreign-currency transactions are translated into Canadian dollars using the exchange rate in effect when those transactions occur. Foreign currency gains and losses are recognized in income in the period in which they arise.

Cash and cash equivalents
Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Cash and short-term investments held by custodians for investment purposes are excluded from cash and cash equivalents reported on the balance sheet.

Investments
Portfolio investments, which comprise securities held for long-term capital appreciation and generation of income, are reported at fair value. Fixed income, marketable equity securities and real estate investments are classified as available-for-sale investments. They are initially recognized at acquisition cost (net of any premium or discount at date of purchase, if applicable) and subsequently remeasured at fair value at each reporting date. WCB utilizes trade-date accounting (date when transactions are entered into rather than when they are settled) for all purchases and sales of financial assets in its investment portfolio.

Valuations of publicly traded securities are based on their closing market prices or the average of the latest bid and ask prices quoted by independent securities valuation companies.

24. Comparative Figures

Certain comparative figures for 2005 have been reclassified where required to conform to the current year's presentation and disclosure.

3. Significant Accounting Policies – continued

Non-publicly-traded securities such as units of private investment pooled funds are valued at the net asset values of the funds, which reflect the fair values of fund assets less fund liabilities. The fair value of the real estate fund is based on independent annual appraisals, net of any liabilities against the real properties. Investments also include derivatives that are financial contracts whose price is dependent on the price of one or more underlying securities, reference rates, or indices.

The fair value of the WCB's derivative contracts, primarily within pooled funds, is determined by the following methods:

a) Interest rate swaps and cross-currency swaps are valued based on discounted cash flows using current market yields and exchange rates.
b) Forward foreign exchange contracts (including those in currency overlays) and equity index futures contracts are valued based on quoted market prices.
c) Equity and bond index swaps are valued based on changes in the appropriate market index net of accrued floating-rate interest.
d) Credit default swaps are valued based on discounted cash flows using current market yields and calculated default probabilities.
e) Swap option contracts are valued based on discounted cash flows using current market yields and volatility parameters that measure changes in the underlying swaps.

Investment income

WCB recognizes interest revenue as earned, dividends when declared, and investment gains and losses when realized. Interest revenue includes amortization of any premium or discount recognized at date of purchase. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Unrealized gains and losses on available-for-sale securities are recorded in other comprehensive income and recognized in income when realized.

Transaction costs are included in the acquisition cost of individual securities and recognized as part of the realized gains or losses when they are sold or written down. Direct investment expenses such as external custodial and management fees, as well as internal investment management expenses, are netted against investment income.

When the fair value of an investment falls below its cost, and the decline is determined to be other than temporary, a loss equivalent to the difference between cost and current fair value is recorded against investment income in the statement of operations.

Included in investment income is income from derivatives. WCB's investment portfolio contains certain derivatives that meet hedge accounting requirements. Hedge accounting for these investments is optional, but the ability to apply it is contingent on satisfying rigorous technical requirements with respect to designation, documentation, and effectiveness. WCB does not apply hedge accounting to the hedging relationships in its segregated investments, but uses hedge accounting indirectly in certain pooled investments.

Certain derivative contracts, which are primarily interest rate swaps and cross-currency interest rate swaps, are designated as hedges of market risks for the purposes of hedge accounting. Hedge accounting recognizes gains and losses from derivatives in the same period as the gains

Appendices

3. Significant Accounting Policies – continued

and losses of the securities being hedged on an accrual basis. When a hedge relationship is designated for purposes of hedge accounting, the hedge is documented at inception. The documentation identifies the specific asset being hedged, the risk that is being hedged, the type of derivative used, and the matching of critical terms of the hedged asset and the hedging instrument to measure effectiveness.

When hedge accounting is not applied, all realized and unrealized gains and losses are recognized in investment income in the respective periods in which they arose. Derivative contracts not designated as hedges for the purposes of hedge accounting – primarily bond index swaps, equity index swaps, equity index futures, forward foreign-exchange contracts, credit default swaps and options – are recorded at fair value.

Property, plant and equipment
Property, plant and equipment are recorded at cost and amortized over their estimated useful lives. Amortization is calculated using the following annual rates and methods:

Buildings	2.5% straight-line
Equipment - computer	35% declining balance
- furniture and other	15% declining balance
- vehicles	20% straight-line
Computer software	20% straight-line

WCB evaluates its property, plant and equipment for impairment due to obsolescence, redundancy, deterioration, and/or loss. WCB writes down the carrying value to fair value and records the write-down amount as amortization expense.

Claim benefit liabilities
Claim benefit liabilities represent the actuarial present value, as estimated by the WCB's actuary, of all future benefit payments and claim administration costs that have occurred in respect of current and prior years' injuries. Claim benefit liabilities have been estimated in accordance with generally accepted actuarial practice established by the Canadian Institute of Actuaries.

Premium revenue
Premiums are billed when employers report their insurable earnings for the current premium year. For employers who have not reported, premiums are estimated and any difference between actual and estimated premiums is adjusted in the following year. Premium revenue is net of the Partners in Injury Reduction rebate.

4. Receivables

($ thousands)	2006	2005
Premium	$ 112,125	$ 103,111
Other	6,940	6,721
	$ 119,065	$ 109,832

Premium receivables of $112,125 (2005 – $103,111) include an estimate of $58,885 (2005 - $59,262) for premium revenue related to employers that had not reported their insurable earnings by year-end. Historically, year-end premium revenue accruals have ranged from 4% to 6% of total processed premiums.

Employment, Immigration and Industry

Appendices

- Appendix A – Government Organization Changes 2006-07
- Appendix B – Ministry Acts
- Appendix C – Ministry Office Locations
- Appendix D – Alphabetical List of Government Entities' Financial Statements
- Appendix E – Performance Measures Sources and Methodologies

5. Investments

The table below presents the fair value of WCB's investments as at December 31, 2006 together with the change in fair value from their cost base.

($ thousands)	2006				2005			
	Fair Value	Cost[1]	Acc Other Comp Income	Portfolio Return[2]	Fair Value	Cost[1]	Acc Other Comp Income	Portfolio Return[2]
Fixed Income:								
Conventional bonds	$ 2,676,680	$ 2,639,066	$ 37,614	4.8%	$2,176,219	$ 2,122,391	$ 53,828	7.0%
Real return bonds	384,638	307,571	77,067	-2.8%	389,772	283,220	106,552	15.2%
	3,061,318	2,946,637	114,681		2,565,991	2,405,611	160,380	
Real estate fund	254,055	163,337	90,718	21.4%	209,793	141,968	67,825	29.9%
Equities								
Domestic:								
Canada	921,015	797,080	123,935	18.3%	1,108,582	887,044	221,538	23.4%
Foreign:								
Global	2,100,329	1,677,532	422,797	18.2%	1,855,581	1,611,213	244,368	8.5%
Emerging markets	215,011	215,011	-	34.6%	288,165	209,104	79,061	37.3%
	3,236,355	2,689,623	546,732		3,252,328	2,707,361	544,967	
	$ 6,551,728	$ 5,799,597	$ 752,131	12.1%	$6,028,112	$ 5,254,940	$ 773,172	13.0%

[1] Cost includes: a) the fair value of derivative contracts not designated as hedges for the purpose of hedge accounting
b) the accumulated amortization of discount or premium on fixed income securities
c) the written down value for securities assessed to have an other-than-temporary decline in value

[2] Portfolio return represents portfolio appreciation/depreciation, interest, dividend, and derivative income since the beginning of the year, expressed in percentage terms, but does not include purchases and sales.

Note 13, Investment Revenue, provides a breakdown of the sources of investment revenue by asset class.

6. Financial Risk Management

In accordance with the Investment Policy, WCB manages investment risk by maintaining a well-diversified portfolio, both across and within asset classes, and engages fund managers encompassing a broad range of investment philosophies and styles.

WCB management is responsible for monitoring performance, recommending changes to the Investment Policy and selecting fund managers. The Board of Directors is ultimately responsible for governance and strategic direction of the investment portfolio. From time to time, WCB retains independent consultants to benchmark the performance of its fund managers and to advise on the appropriateness and effectiveness of its Investment Policy and practices. The Board of Directors approves changes to the Investment Policy.

From time to time, WCB's investment portfolio may contain derivatives as part of an asset-liability management strategy for risk mitigation, but does not contain any derivatives for speculative or trading purposes.

The following sections describe WCB's financial risk exposures and related mitigation strategies.

Market risk

WCB is exposed to market risk, which is the risk that the fair value or future cash flows of its investments in publicly traded shares listed on domestic and foreign exchanges and bonds traded over the counter through broker-dealers will fluctuate in the future because of price changes. As

Appendix A

Government Organization Changes 2006-07

Ministry	Program/Entity Changes	Previous Location
Advanced Education and Technology	Advanced Education	Former Advanced Education
	Innovation and Science	Former Innovation and Science
Agriculture and Food	Agriculture and Food	Former Agriculture, Food and Rural Development
Employment, Immigration and Industry	Human Resources and Employment (excluding PAO)	Former Human Resources and Employment
	International Qualifications Assessments	Former Advanced Education
	Standing Policy Committee (Cabinet Policy Committee)	Former Advanced Education
	Northern Development	Former Aboriginal Affairs and Northern Development
	Rural Development Fund (2006/2007)	Former Agriculture, Food and Rural Development
	Economic Development (excluding international trade, film and tourism)	Former Economic Development
Energy	Bio-fuel technology	Former Agriculture, Food and Rural Development
Environment	Standing Policy Committee (Cabinet Policy Committee)	Energy
Infrastructure and Transportation	Facility planning	Former Restructuring and Government Efficiency
International, Intergovernmental and Aboriginal Relations	International and Intergovernmental Relations	Former International and Intergovernmental Relations
	Aboriginal Affairs	Former Aboriginal Affairs and Northern Development
	International trade	Former Economic Development

6. Financial Risk Management – continued

well, WCB holds units in private pooled funds for institutional investors that also invest in shares and bonds. Both direct and indirect investments are exposed to economic changes and other fluctuations in domestic and global capital markets, as well as risks specific to issuers that may affect the market value of their securities.

Credit risk
Credit risk related to financial instruments arises from the possibility that the counterparty to an instrument fails to discharge its obligation to WCB. Counterparties for derivative contracts will have at least an A- credit rating or equivalent from a recognized credit-rating agency. Issuers of debt instruments will have at least a BBB- or equivalent score from a recognized credit-rating agency or must meet other stringent investment criteria. Specific rules have been established to ensure that the credit ratings of counterparties do not fall below a threshold acceptable to WCB. WCB does not anticipate that any counterparties will fail to meet their obligations.

Securities-lending risk
To generate additional income, WCB may lend any of its investments to eligible third parties for short periods. These loans are secured against loss with cash or readily marketable securities having a minimum fair value of 100% of the loan. As of December 31, 2006, outstanding securities on loan amounted to $472,739 (2005 - $334,100).

Currency risk
Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates.

In its pooled fixed-income investment, WCB is exposed to exchange rate volatility that is managed through forward-foreign exchange contracts and cross-currency interest rate swaps.

For its foreign-equity investments, WCB utilizes a currency overlay to hedge 50% of the aggregate currency exposure. The currency overlay is an indexing strategy executed through foreign-exchange forward contracts on the U.S. dollar, Euro and other major currencies. Hedge accounting has not been applied to these hedging arrangements. The table in the derivatives section below presents the hedging exposure (notional principal) as well as the fair value of the currency overlay position as at December 31, 2006. During 2006, net cash payments to settle foreign exchange forward contracts in the currency overlay were $22,496 (2005 - $4,631 net receipts) (Note 13).

Inflation risk
Inflation risk is the risk that a general increase in price level may result in loss of future purchasing power for current monetary assets. To mitigate the effect of inflation on WCB's future liabilities, the portfolio holds Canadian real return bonds, which are indexed to the annual change in the Canadian Consumer Price Index. The table following the interest rate risk section below presents the remaining terms to maturity and related yields of the conventional and real return bond portfolios.

Ministry	Program/Entity Changes	Previous Location
Municipal Affairs and Housing	Municipal Affairs	Former Municipal Affairs
	Community services and libraries	Former Community Development
	Affordable housing and Alberta Social Housing Corporation	Seniors and Community Supports
Seniors and Community Supports	Standing Policy Committee (Cabinet Policy Committee)	Health and Wellness
Service Alberta	Government Services	Former Government Services
	Restructuring and Government Efficiency (excluding facility planning)	Former Restructuring and Government Efficiency
	Personnel Administration Office (PAO)	Former Human Resources and Employment
	Air and vehicle services, and furniture	Infrastructure and Transportation
Solicitor General and Public Security	AGLC, Lottery Fund and gaming research	Former Gaming
Tourism, Parks, Recreation and Culture	Community Development (excluding community services and libraries)	Former Community Development
	Film and tourism	Former Economic Development
	Lottery Funding Programs	Former Gaming
Treasury Board	Controller (except Investment and Debt Accounting), business planning (expenditure management), and performance management	Finance
	Corporate Internal Audit	Executive Council
	P3 and capital plan	Infrastructure and Transportation
	Standing Policy Committee (Cabinet Policy Committee)	Justice

6. Financial Risk Management – continued

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. WCB's investment portfolio is exposed to interest rate risk through participation in a conventional Canadian bond pool and through internally managed direct holdings of fixed income instruments. The table below presents the remaining terms to maturity at fair value, along with the average effective yields for each maturity, for fixed-income investments exposed to inflation and interest rate risk as at December 31, 2006:

	Remaining term to maturity					
($ thousands)	Within 1 year	1 to 5 years	5 to 10 years	Over 10 years	2006	2005
Canadian real return bonds[1]	$ -	$ -	$ -	$ 384,638	$ 384,638	$ 389,772
Average Effective yields				1.77%	1.77%	1.44%
Canadian conventional bonds[1]	42,252	75,907	133,483	118,323	369,965	-
Average Effective yields	4.18%	4.20%	4.26%	4.22%	4.23%	-
Canadian conventional bonds[2]	77,044	811,733	691,323	726,615	2,306,715	2,176,219
Average Effective yields	3.75%	4.52%	4.63%	4.84%	4.63%	4.47%
	$ 119,296	$ 887,640	$ 824,806	$ 1,229,576	$ 3,061,318	$ 2,565,991

[1] direct holdings internally managed
[2] indirect holdings externally managed through pooled funds

Derivatives

The table below summarizes the fair value of the WCB's derivative portfolio of open contract positions, with their remaining terms to maturity, as at December 31, 2006. The notional value of a derivative contract represents the amount to which a rate or price is applied in order to calculate the exchange of cash flows. Notional amounts are not indicative of the credit risk associated with such derivative contracts and are not recognized in these financial statements. WCB's credit exposure is represented by the replacement cost of all outstanding contracts in a receivable (positive fair value) position.

($ thousands)	Remaining term to maturity			2006		2005	
	Within 1 year	1 to 5 years	5 to 10 years	Notional Principal	Fair Value	Notional Principal	Fair Value
Equity index swaps[1]	91%	9%	-	$ 243,087	$ 8,914	$ 290,302	$ 11,648
Equity index futures contracts[1]	100%	-	-	48,486	478	41,006	241
Bond index swaps[1]	100%	-	-	637,284	932	86,191	887
Interest rate swaps[1,3]	2%	55%	43%	1,524,209	999	100,177	2,514
Cross-currency interest rate swaps[1,3]	11%	19%	70%	144,596	2,336	162,620	9,822
Currency overlay forward contracts[2]	100%	-	-	3,096,824	(13,971)	1,392,062	(586)
Forward foreign exchange contracts[1]	100%	-	-	152,675	(837)	74,983	(723)
Swap option contracts[1]	73%	10%	17%	2,132,708	(1,557)	-	-
Credit default swaps[1]	1%	15%	84%	1,126,274	685	65,473	515
				$ 9,106,143	$ (2,021)	$ 2,212,814	$ 24,318

[1] indirect exposure through pooled funds for notional amount and fair value
[2] direct exposure through segregated funds for notional amount and fair value
[3] subject to hedge accounting

Radiation Protection Act

- Radiation Protection Regulation (AR 182/2003)

Regulated Accounting Profession Act

- Certified General Accountants Regulation (AR 176/2001)
- Certified Management Accountants Regulation (AR 177/2001)
- Chartered Accountants Regulation (AR 178/2001)

Regulated Forestry Profession Act

- Expenses and Review Fees Regulation (AR 77/2002)
- Registered Professional Forest Technologists Regulation (AR 76/2002)
- Registered Professional Foresters Regulation (AR 75/2002)

Special Payment Act

- No regulations

Telecommunications Act

- No regulations

Veterinary Profession Act

- Exemption Regulation (AR 43/1986)
- General Regulation (AR 44/1986)

Widows' Pension Act

- Widows' Pension Regulation (AR 166/1983)

Workers' Compensation Act

- Firefighters' Primary Site Cancer Regulation (AR 102/2003)
- Medical Panels Regulation (AR 290/2006)
- Workers' Compensation Regulation (AR 325/2002)

The Minister of Employment, Immigration and Industry continues to be designated as the Minister responsible for the following enactments:

- *Government Organization Act*, Schedule 3, section 1 - Career Development - Immigration Program
- *Government Organization Act*, Schedule 3, section 2 - Donations and Loans
- *Government Organization Act*, Schedule 8 - Joint Board of Practice - Architects Association and the Engineers Association
- *Government Organization Act*, Schedule 10, sections 2, 3, 4, 9 and 10 - Labour Statutes Delegation - The Minister of Municipal Affairs and Housing, and the Minister of Employment, Immigration and Industry have common responsibilities for these sections
- *Government Organization Act*, Designation and Transfer of Responsibility Regulation (AR 44/2001) - The Ministry is not responsible for this regulation, however it does list the Acts our Minister is responsible for
- *Health Professions Act*, section 22 - The Deputy Minister of Employment, Immigration and Industry has the authority to designate one employee to the Health Professions Advisory Board
- The responsibility for the *Statistics Bureau Act*, except section 6, is transferred to the common responsibility of the Minister of Finance and the Minister of Employment, Immigration and Industry

Appendix C

Ministry Office Locations

DEPARTMENT OF EMPLOYMENT, IMMIGRATION AND INDUSTRY SERVICE OFFICES

ATHABASCA

Alberta Service Centre
300 Duniece Centre
4810 – 50 Street
Athabasca AB T9S 1C9
Phone: (780) 675-2243

BARRHEAD

Alberta Service Centre
PO Box 4517
Provincial Building
6203 – 49 Street
Barrhead AB T7N 1A4
Phone: (780) 674-8345

BONNYVILLE

Alberta Service Centre
Box 8115, New Park Place
5201 – 44 Street
Bonnyville AB T9N 2J4
Phone: (780) 826-4175

BOW CORRIDOR

Alberta Service Centre
301 Provincial Building
800 Railway Avenue
Canmore AB T1W 1P1
Phone: (403) 678-2363

BROOKS

Alberta Service Centre
200, 600 Cassils Road East
Brooks AB T1R 1M6
Phone: (403) 362-1278

CALGARY - EAST

Alberta Service Centre
Radisson Centre
Main Floor, 525 – 28 Street SE
Calgary AB T2A 6W9
Phone: (403) 297-1907

Canada-Alberta Service Centre
1502 Marlborough Mall
515 Marlborough Way NE
Calgary AB T2A 7E7
Phone: (403) 297-7570

CALGARY - NORTH

Canada-Alberta Service Centre
One Executive Place
300, 1816 Crowchild Road NW
Calgary AB T2M 3Y7
Phone: (403) 297-3951

CALGARY - SOUTH/CENTRAL

Alberta Service Centre
10th & 10th Office
Main Floor, RPW Building
1021 – 10 Avenue SW
Calgary AB T2R 0B7
Phone: (403) 297-2094

Calgary Child Support Services
7th Floor John J. Bowlen Building
620 – 7 Avenue SW
Calgary AB T2P 0Y8
Phone: (403) 297-6060

Calgary - Regional Development Office
Suite 300
Standard Life Building
639 - 5th Avenue SW
Calgary AB T2P 0M9
Phone: (403) 297-6284

Canada-Alberta Service Centre
100, 6712 Fisher Street SE
Calgary AB T2H 1X3
Phone: (403) 297-4024

Employment Standards Storefront Operations
700 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: (780) 427-3731
Toll-free: 310-0000

Labour Market Information Centre
5th Floor Century Park Place
855 – 8 Avenue SW
Calgary AB T2P 3P1
Phone: (403) 297-6344

Workplace Health & Safety South Region
600 Guinness House
Elveden Centre
727 – 7 Avenue SW
Calgary AB T2P 0Z5
Phone: 1 (866) 415-8690

CAMROSE

Alberta Service Centre
3rd Floor Gemini Centre
6708 – 48 Avenue
Camrose AB T4V 4S3
Phone (780) 608-2525

Camrose - Regional Development Office
5005 – 49 Street
Camrose AB T4V 1N5
Phone: (780) 679-1235

CLARESHOLM

Alberta Service Centre
Box 1650, Provincial Building
109 – 46 Avenue West
Claresholm AB T0L 0T0
Phone: (403) 625-4457

COLD LAKE

Alberta Service Centre
PO Box 698
408, 6501B – 51 Street
Cold Lake AB T9M 1P2
Phone: (780) 594-1984

COCHRANE

Itinerant Site
213 – 1 Street West
Cochrane AB T4C 1A5
Phone: (403) 678-2363

CROWSNEST PASS

Alberta Service Centre
PO Box 870
Provincial Building
12501 – 20 Avenue
Blairmore AB T0K 0E0
Phone: (403) 562-3285

DRAYTON VALLEY

Sub-Office
PO Box 7595
2nd Floor Provincial Building
5136 – 51 Avenue
Drayton Valley AB T7A 1S7
Phone: (780) 542-3134

DRUMHELLER

Alberta Service Centre
Box 2079
2nd Floor Riverside Centre
180 Riverside Drive East
Drumheller AB T0J 0Y0
Phone: (403) 823-1616

EDMONTON - CITY CENTRE

Alberta Service Centre
3rd Floor, 10242 – 105 Street
(Labour Market Information Centre – Main Floor)
Edmonton AB T5J 3L5
Phone: (780) 415-4900

Child Support Services Office
9th Floor
Centre West Building
10035 – 108 Street
Edmonton AB T5J 3E1
Phone: (780) 415-6400

Edmonton Region - Regional Development Office
5th Floor Commerce Place
10155 – 102 Street
Edmonton AB T5J 4L6
Phone: (780) 427-2005

Employment Standards Storefront Operations
Main Floor Sterling Place
9940 – 106 Street
Edmonton AB T5K 2N2
Phone: (780) 427-3731
Toll-free: 310-0000

Wood Buffalo Region - Regional Development Office
5th floor Commerce Place
10155 – 102 Street
Edmonton AB T5J 4L6

Workplace Health & Safety North Region
10th Floor South Tower
Capital Health Centre
10030 – 107 Street
Edmonton AB T5J 3E4
Phone: (780) 415-8690

EDMONTON - NORTH

Alberta Service Centre
200, 13415 Fort Road
Edmonton AB T5A 1C6
Phone: (780) 422-9440

Canada-Alberta Service Centre
Unit 2000, Northgate Centre
9499 – 137 Avenue
Edmonton AB T5E 5R8
Phone: (780) 422-9440

EDMONTON - SOUTH

Canada-Alberta Service Centre
Argyll Centre
6325 Gateway Boulevard NW
Edmonton AB T6H 5H6
Phone: (780) 644-2888

EDMONTON - WEST

Alberta Service Centre
200 Westcor Building
12323 Stony Plain Road
Edmonton AB T5N 4A9
Phone: (780) 415-6500

Canada-Alberta Service Centre
120 Meadowlark Shopping Centre
15710 – 87 Avenue
Edmonton AB T5R 5W9
Phone: (780) 415-8116

EDSON

Canada-Alberta Service Centre
102 Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: (780) 723-8317

Edson - Regional Development Office
111 Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: (780) 723-8229

Employment Standards
Walk-In Address
Canada-Alberta Service Centre
102 Provincial Building
111 – 54 Street
Edson AB T7E 1T2
Phone: (780) 427-3731
Toll-free: 310-0000

FORT MCMURRAY

Canada-Alberta Service Centre
Main Floor
Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: (780) 743-7192

Employment Standards
714 Provincial Building
9915 Franklin Avenue
Fort McMurray AB T9H 2K4
Phone: (780) 427-3731
Toll-free: 310-0000

FORT SASKATCHEWAN

Itinerant Site
162, 10404 – 99 Avenue
Fort Saskatchewan AB T8L 3W2
Phone: (780) 939-1251

GRANDE CACHE

Alberta Service Centre
PO Box 240
702 Pine Plaza Mall
Grande Cache AB T0E 0Y0
Phone: (780) 827-3335

GRANDE PRAIRIE

Canada-Alberta Service Centre
100 Towne Centre Mall
9845 – 99 Avenue
Grande Prairie AB T8V 0R3
Phone: (780) 538-6241

Employment Standards
3201 Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: (780) 427-3731
Toll-free: 310-0000

Grande Prairie - Regional Development Office
3501 Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: (780) 538-5230

Workplace Health & Safety
3rd Floor Provincial Building
10320 – 99 Street
Grande Prairie AB T8V 6J4
Phone: 1 (866) 415-8690

HIGH LEVEL

Alberta Service Centre
Mail Bag 1000
9806 – 98 Street
High Level AB T0H 1Z0
Phone: (780) 841-4315

HIGH PRAIRIE

Alberta Service Centre
PO Box 849
2nd Floor Provincial Building
5226 – 53 Avenue
High Priarie AB T0G 1E0
Phone: (780) 523-6650

HINTON

Alberta Service Centre
568 Carmichael Lane
Hinton AB T7V 1S8
Phone: (780) 865-8273

LAC LA BICHE

Alberta Service Centre
PO Box 420
Provincial Building
9503 Beaverhill Road
Lac La Biche AB T0A 2C0
Phone: (780) 623-5215

LEDUC

Alberta Service Centre
4901 – 50 Avenue
Leduc AB T9E 6M1
Phone: (780) 980-0557

LETHBRIDGE

Canada-Alberta Service Centre
Mail Bag 3014
Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: (403) 380-2272

Employment Standards
360 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: (780) 427-3731
Toll-free: 310-0000

Lethbridge - Regional Development Office
105 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: (403) 381-5414

Workplace Health & Safety
360 Provincial Building
200 – 5 Avenue South
Lethbridge AB T1J 4L1
Phone: 1 (866) 415-8690

LLOYDMINSTER

Canada-Alberta Service Centre
5016 – 48 Street
Lloydminster AB T9V 0H8
Phone: (780) 871-6445

MEDICINE HAT

Canada-Alberta Service Centre
201 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (403) 529-3550

Employment Standards
103 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (780) 427-3731
Toll-free: 310-0000

Medicine Hat - Regional Development Office
109 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: (403) 529-3630

Workplace Health & Safety
103 Provincial Building
346 – 3 Street SE
Medicine Hat AB T1A 0G7
Phone: 1 (866) 415-8690

OLDS

Alberta Service Centre
PO Box 3810
4905 – 50 Avenue
Olds AB T4H 1P5
Phone: (403) 507-8060

PEACE RIVER

Alberta Service Centre
Bag 900-15
Midwest Building
9715 – 100 Street
Peace River AB T8S 1T4
Phone: (780) 624-6135

Employment Standards
Main Floor
Provincial Building
9621 – 96 Avenue
Peace River AB T8S 1T4
Phone: (780) 427-3731
Toll-free: 310-0000

Peace River - Regional Development Office
Bag 900-3
105 Provincial Building
9626 – 96 Avenue
Peace River AB T8S 1T4
Phone: (780) 624-6113

PINCHER CREEK

Career Development Centre
Box 2138
160 Provincial Building
782 Main Street
Pincher Creek AB T0K 1W0
Phone: (403) 627-1125

Pincher Creek - Regional Development Office
Box 2138
221 Provincial Building
Pincher Creek AB T0K 1W0
Phone: (403) 627-1165

RED DEER

Alberta Service Centre
109 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (403) 340-5439

Canada-Alberta Service Centre
3rd Floor
First Red Deer Place
4911 – 51 Street
Red Deer AB T4N 6V4
Phone: (403) 340-5353

Employment Standards
209 Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (780) 427-3731

Red Deer - Regional Development Office
2nd Floor Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: (403) 340-5300

Workplace Health & Safety
2nd Floor
Provincial Building
4920 – 51 Street
Red Deer AB T4N 6K8
Phone: 1 (866) 415-8690

ROCKY MOUNTAIN HOUSE

Alberta Service Centre
PO Box 1180
Main Floor
New Provincial Building
4919 – 51 Street
Rocky Mountain House AB T4T 1A8
Phone: (403) 845-8590

SHERWOOD PARK

Alberta Service Centre
Trillium Centre
121 Crimson Avenue
Sherwood Park AB T8H 2T5
Phone: (780) 464-7000

SLAVE LAKE

Canada-Alberta Service Centre
PO Box 70
2nd Floor Lakeland Centre
101 Main Street South
Slave Lake AB T0G 2A0
Phone: (780) 849-7290

SMOKY LAKE

Itinerant Site
Provincial Building
4212 – 55 Avenue
Smoky Lake AB T0A 3C0
Phone: (780) 632-5453

SPRUCE GROVE

Alberta Service Centre
200 Westgrove Professional Building
131 – 1 Avenue
Spruce Grove AB T7X 2Z8
Phone: (780) 962-8681

ST. ALBERT

Alberta Service Centre
Provincial Building
30 Sir Winston Churchill Avenue
St. Albert AB T8N 3A3
Phone: (780) 458-9400

ST. PAUL

Canada-Alberta Service Centre
PO Box 309
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: (780) 645-6473

Employment Standards
Mailing Address
PO Box 403
Provincial Building
5025 – 49 Avenue
St. Paul AB T0A 3A4

Walk-In Address
Canada-Alberta Service Centre
5126 – 50 Avenue
St. Paul AB T0A 3A0
Phone: (780) 427-3731
Toll-free: 310-0000

St. Paul - Regional Development Office
308 Provincial Building
5025 – 49 Avenue
St. Paul AB T0A 3A4
Phone: (780) 645-6358

STETTLER

Alberta Service Centre
Postal Bag 600
4835 – 50 Street
Stettler AB T0C 2L0
Phone: (403) 742-7586

TABER

Sub-Office
Provincial Building
5011 – 49 Avenue
Taber AB T1G 1V9
Phone: (403) 223-7921

VEGREVILLE

Alberta Service Centre
PO Box 1590
5121 – 49 Street
Vegreville AB T9C 1S7
Phone: (780) 632-8686

VERMILION

Alberta Service Centre
PO Box 25
Provincial Building
4701 – 52 Avenue
Vermilion AB T9X 1J9
Phone: (780) 853-8164

WAINWRIGHT

Alberta Service Centre
19 Provincial Building
810 – 14 Avenue
Wainwright AB T9W 1R2
Phone: (780) 842-7500

WESTLOCK

Alberta Service Centre
10211A – 100 Street
Westlock AB T7P 2G5
Phone: (780) 349-7700

WETASKIWIN

Alberta Service Centre
1st Floor Macadil Building
5201 – 51 Avenue
Wetaskiwin AB T9A 0V5
Phone: (780) 361-1272

WHITECOURT

Alberta Service Centre
Box 749
202 Midtown Mall
5115 – 49 Street
Whitecourt AB T7S 1N7
Phone: (780) 778-7149

EII CONTACT CENTRES

7th Floor Park Plaza
10611 – 98 Avenue
Edmonton, AB T5K 2P7

Adult Health Benefits
Phone: (780) 644-1365
Toll-free:1 (866) 252-5783

Canada-Alberta JOBS
Phone: (780) 427-5627
Toll-free: 1 (800) 999-1546

Career Information Hotline
Phone: (780) 422-4266
Toll-free: 1 (800) 661-3753

Child Health Benefits
Phone: (780) 427-6848
Toll-free: 1 (877) 469-5437

Employment Standards
Phone: (780) 427-3731
Toll-free: 310-0000

Foreign Worker Hotline
Phone: (780) 427-6419
Toll-free: 1 (877) 427-6419

Income Support Services
Phone: (780) 644-5135
Toll-free: 1 (866) 644-5134

Student Funding
Phone: (780) 427-3722
Toll-free: 1 (800) 222-6485

Workplace Health & Safety
Phone: (780) 415-8690
Toll-free: 1 (866) 415-8690

ALBERTA ECONOMIC DEVELOPMENT AUTHORITY

CALGARY

McDougall Centre
455 – 6 Street SW
Calgary AB Canada T2P 4E8
Telephone: (403) 297-3022

ALBERTA LABOUR RELATIONS BOARD

EDMONTON

501 Labour Building
10808 – 99 Avenue
Edmonton AB T5K 0G5
Phone: (780) 422-5926

CALGARY

3rd Floor Deerfoot Junction
Tower 3
1212 – 31 Avenue NE
Calgary AB T2E 7S8
Phone: (403) 297-4334

APPEALS COMMISION FOR ALBERTA WORKERS' COMPENSATION

EDMONTON

Energy Square Building
#901, 10109 – 106 Street
Edmonton AB T5J 3L7
Phone: (780) 412-8700

CALGARY

Braithwaite Boyle Building
#206, 1701 Centre Street North
Calgary AB T2E 7Y2
Phone: (403) 508-8800

NORTHERN ALBERTA DEVELOPMENT COUNCIL

LAC LA BICHE

15 Nipewan Road
P.O. Box 1650
Lac La Biche AB T0A 2C0
Phone: (780) 623-6982
Toll-free: 310-0000

PEACE RIVER

206 Provincial Building
9621 – 96 Avenue, Postal Bag 900-14
Peace River AB T8S 1T4
Phone: (780) 624-6274
Toll-free: 310-0000

OCCUPATIONAL HEALTH AND SAFETY COUNCIL

EDMONTON

8th Floor Labour Building
10808 – 99 Avenue
Edmonton, AB T5K 0G5
Phone: (780) 415-0599

RURAL ALBERTA'S DEVELOPMENT FUND

TOFIELD

Site 4, Box 17, RR #4
Tofield, AB T0B 4J0
Toll-free: 1 (877) 940-7233

WORKERS' COMPENSATION BOARD – ALBERTA

EDMONTON

PO Box 2415
9912 – 107 Street
Edmonton AB T5J 2S5
Phone: (780) 498-3999
Toll-free: 1 (866) 922-9221

CALGARY

300 – 6 Avenue SE
Calgary AB T2G 0G5
Phone: (403) 517-6000

WORKERS' COMPENSTION MEDICAL PANELS

EDMONTON

Suite 2701 TD Tower
10088 – 102 Avenue
Edmonton AB T5J 2Z1
Telephone: (780) 990-0059
Toll-Free: 1 (866) 990-0214

Appendix D

Alphabetical List of Entities' Financial Statements in Ministry 2006-07 Annual Reports

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Access to the Future Fund[1]	Advanced Education and Technology
Agriculture Financial Services Corporation	Agriculture and Food
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Cancer Prevention Legacy Fund[2]	Finance
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Tourism, Parks, Recreation and Culture
Alberta Gaming and Liquor Commission	Solicitor General and Public Security
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Tourism, Parks, Recreation and Culture
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation[3]	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Advanced Education and Technology
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Municipal Affairs and Housing
Alberta Sport, Recreation, Parks and Wildlife Foundation	Tourism, Parks, Recreation and Culture
Alberta Treasury Branches	Finance
ATB Insurance Advisors Inc.[4]	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Métis Settlements Child and Family Services Authority	
C-FER Technologies (1999) Inc.	Advanced Education and Technology

[1] Established July 10, 2005.
[2] Proclaimed May 31, 2006.
[3] Incorporated December 16, 2005.
[4] Incorporated July 12, 2006.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Credit Union Deposit Guarantee Corporation	Finance
Colleges:	Advanced Education and Technology
Alberta College of Art and Design	
Bow Valley College	
Grande Prairie Regional College	
Grant MacEwan College	
Keyano College	
Lakeland College	
Lethbridge Community College	
Medicine Hat College	
Mount Royal College	
NorQuest College	
Northern Lakes College	
Olds College	
Portage College	
Red Deer College	
Department of Advanced Education and Technology	Advanced Education and Technology
Department of Agriculture and Food	Agriculture and Food
Department of Children's Services	Children's Services
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Health and Wellness	Health and Wellness
Department of Municipal Affairs and Housing	Municipal Affairs and Housing
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Department of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Tourism, Parks, Recreation and Culture
Historic Resources Fund	Tourism, Parks, Recreation and Culture
Human Rights, Citizenship and Multiculturalism Education Fund	Tourism, Parks, Recreation and Culture
iCORE Inc.	Advanced Education and Technology
Lottery Fund	Solicitor General and Public Security
Ministry of Advanced Education and Technology	Advanced Education and Technology
Ministry of Agriculture and Food	Agriculture and Food
Ministry of Children's Services	Children's Services
Ministry of Education	Education
Ministry of Employment, Immigration and Industry[5]	Employment, Immigration and Industry
Ministry of Energy	Energy
Ministry of Environment[5]	Environment
Ministry of Executive Council[5]	Executive Council
Ministry of Finance	Finance
Ministry of Health and Wellness	Health and Wellness
Ministry of Infrastructure and Transportation[5]	Infrastructure and Transportation
Ministry of International, Intergovernmental and Aboriginal Relations[5]	International, Intergovernmental and Aboriginal Relations
Ministry of Justice[5]	Justice

[5] Ministry includes only the departments so separate departmental financial statements are not necessary

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
Ministry of Municipal Affairs and Housing	Municipal Affairs and Housing
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Service Alberta[5]	Service Alberta
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
Ministry of Tourism, Parks, Recreation and Culture	Tourism, Parks, Recreation and Culture
Ministry of the Treasury Board[5]	Treasury Board
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board[6]	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Regional Health Authorities and Provincial Health Boards:	Health and Wellness
Alberta Cancer Board	
Alberta Mental Health Board	
Aspen Regional Health Authority	
Calgary Health Region	
Capital Health	
Chinook Regional Health Authority	
David Thompson Regional Health Authority	
East Central Health	
Health Quality Council of Alberta[7]	
Northern Lights Health Region	
Peace Country Health	
Palliser Health Region	
Safety Codes Council	Municipal Affairs and Housing
School Boards and Charter Schools:	Education
Almadina School Society	
Aspen View Regional Division No. 19	
Aurora School Ltd.	
Battle River Regional Division No. 31	
Black Gold Regional Division No. 18	
Boyle Street Education Centre	
Buffalo Trail Public Schools Regional Division No. 28	
Calgary Arts Academy Society	
Calgary Girls' School Society	
Calgary Roman Catholic Separate School District No. 1	
Calgary School District No. 19	
Calgary Science School Society	
Canadian Rockies Regional Division No. 12	
Chinook's Edge School Division No. 73	

[5] Ministry includes only the departments so separate departmental financial statements are not necessary.
[6] Ceased operations June 30, 2006.
[7] Established July 1, 2006.

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
School Boards and Charter Schools:	Education
Christ the Redeemer Catholic Separate Regional Division No. 3	
Clearview School Division No. 71	
East Central Alberta Catholic Separate Schools Regional Division No. 16	
East Central Francophone Education Region No. 3	
Edmonton Catholic Separate School District No. 7	
Edmonton School District No. 7	
Elk Island Catholic Separate Regional Division No. 41	
Elk Island Public Schools Regional Division No. 14	
Evergreen Catholic Separate Regional Division No. 2	
FFCA Charter School Society	
Foothills School Division No. 38	
Fort McMurray Roman Catholic Separate School District No. 32	
Fort McMurray School District No. 2833	
Fort Vermilion School Division No. 52	
Golden Hills School Division No. 75	
Grande Prairie Public School District No. 2357	
Grande Prairie Roman Catholic Separate School District No. 28	
Grande Yellowhead Regional Division No. 35	
Grasslands Regional Division No. 6	
Greater North Central Francophone Education Region No. 2	
Greater Southern Public Francophone Education Region No. 4	
Greater Southern Separate Catholic Francophone Education Region No. 4	
Greater St. Albert Catholic Regional Division No. 29	
High Prairie School Division No. 48	
Holy Family Catholic Regional Division No. 37	
Holy Spirit Roman Catholic Separate Regional Division No. 4	
Horizon School Division No. 67	
Lakeland Roman Catholic Separate School District No. 150	
Lethbridge School District No. 51	
Living Waters Catholic Regional Division No. 42	
Livingstone Range School Division No. 68	
Medicine Hat Catholic Separate Regional Division No. 20	
Medicine Hat School District No. 76	
Moberly Hall School Society	
Mother Earth's Children's Charter School Society	
New Horizons Charter School Society	
Northern Gateway Regional Division No. 10	
Northern Lights School Division No. 69	
Northland School Division No. 61	
Northwest Francophone Education Region No. 1	
Palliser Regional Division No. 26	
Parkland School Division No. 70	
Peace River School Division No. 10	
Peace Wapiti School Division No. 76	
Pembina Hills Regional Division No. 7	
Prairie Land Regional Division No. 25	
Prairie Rose School Division No. 8	

ENTITIES INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Ministry, Department, Fund or Agency	Ministry Annual Report
School Boards and Charter Schools:	Education
Red Deer Catholic Regional Division No. 39	
Red Deer School District No. 104	
Rocky View School Division No. 41	
St. Albert Protestant Separate School District No. 6	
St. Paul Education Regional Division No. 1	
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	
Sturgeon School Division No. 24	
Suzuki Charter School Society	
Westmount Charter School Society	
Westwind School Division No. 74	
Wetaskiwin Regional Division No. 11	
Wild Rose School Division No. 66	
Wolf Creek School Division No. 72	
Supplementary Retirement Plan Reserve Fund	Finance
Technical Institutes and The Banff Centre:	Advanced Education and Technology
Northern Alberta Institute of Technology	
Southern Alberta Institute of Technology	
The Banff Centre for Continuing Education	
Universities:	Advanced Education and Technology
Athabasca University	
The University of Alberta	
The University of Calgary	
The University of Lethbridge	
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Tourism, Parks, Recreation and Culture

ENTITIES NOT INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY

Fund or Agency	Ministry Annual Report
Alberta Foundation for Health Research	Advanced Education and Technology
Alberta Heritage Foundation for Medical Research	Advanced Education and Technology
Alberta Heritage Foundation for Science and Engineering Research	Advanced Education and Technology
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs and Housing
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Service Alberta
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Service Alberta
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs and Housing
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Employment, Immigration and Industry

Appendix E

Performance Measures Sources and Methodologies

The following information is a summary of Employment, Immigration and Industry's (EII) performance measures sources and methodologies for the results reported in the Results Analysis Section. It explains how the performance measure results were calculated and highlights important elements for the reader.

Performance Measure 1.a

Percentage of clients reporting satisfaction with the program/service:

- Career Information

METHODOLOGY

Career Development Information Services

Satisfaction results for Career Development Information Services were obtained through the Career Information Work Outcomes Reporting Project (WORP) survey. Client satisfaction is obtained from the question, "How satisfied were you with the training overall?" The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, somewhat dissatisfied and very dissatisfied). The per cent satisfied includes those who were very satisfied and somewhat satisfied.

An independent consultant is retained through the (WORP) to contact former program participants three months after they leave these programs. The survey sample is based on a random sample of former participants. Previously, respondents were contacted by telephone to complete the survey. In 2006-07, the mode of survey collection was augmented by providing access to an online version of the survey. The same survey question was used in the telephone and the Internet surveys. Both telephone and Internet responses were captured in the result calculation. The estimated margin of error for this measure was ±2.3% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

Career Development Workshops

Satisfaction results for Career Development Workshops were obtained through the Career Information WORP survey. Client satisfaction is obtained from the question, "How satisfied were you with the training overall?" The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, somewhat dissatisfied and very dissatisfied). The per cent satisfied includes those who were very satisfied and somewhat satisfied.

For information on the WORP survey, see Performance Measure 1.a., Career Development Information Services. The estimated margin of error for this measure was ±4.0% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

Appendix B

Ministry Acts

Agrology Profession Act
- Agrology Profession Regulation (AR 71/2007)

Alberta Economic Development Authority Act
- No regulations

Architects Act
- Code of Ethics (AR 240/1981)
- Education and Training Regulation (AR 241/1981)
- Interior Design Regulation (AR 174/1983)
- Practice Review Regulation (AR 175/1983)
- Professional Practice Regulation (AR 242/1981)

Blind Workers' Compensation Act
- No regulations

Burial of the Dead Act
- No regulations

Consulting Engineers of Alberta Act
- General Regulation (AR 78/2004)

Employment Standards Code
- Employment Standards Regulation (AR 14/1997)

Engineering, Geological and Geophysical Professions Act
- General Regulation (AR 150/1999)
- Registered Professional Technologist (Geological) and Registered Professional Technologist (Geophysical) Regulation (AR 36/2003)

Government Organization Act
- Agriculture, Food and Rural Development Grant Regulation (AR 58/98)
- Grants, Donations and Loans Regulation (AR 315/1983)
- Radiation Health Administration Regulation (AR 49/1996)

Income and Employment Supports Act
- Child and Adult Support Services Regulation (AR 61/2004)
- Employment and Training Benefits for Persons with Disabilities Regulation (AR 59/2004)
- Income Supports, Health and Training Benefits Regulation (AR 60/2004)
- Recovery Regulation (AR 46/2004)
- Recovery, Administrative Penalties and Appeals Regulation (AR 381/2003)
- Support Agreement Regulation (AR 155/2005)
- Temporary Employment and Job Creation Programs Regulation (AR 380/2003)
- Training Provider Regulation (AR 384/2003)

ALIS (Alberta Learning Information Services) Website
The ALIS website satisfaction survey is conducted triennially by an independent consultant. In 2005-06, a survey was conducted for this measure and 2006-07 was not a scheduled year to administer the survey.

Canada-Alberta Job Order Bank Services
An independent consultant conducts the Job Order Bank Services (JOBS) telephone survey with Alberta employers biennially. Client satisfaction is obtained from the question, "Overall, how satisfied are you with the JOBS service?" The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, somewhat dissatisfied and very dissatisfied). The per cent satisfied includes those who were very satisfied and somewhat satisfied. The estimated margin of error was ±4.0% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

Labour Market Information Centre Services
The Labour Market Information Centre (LMIC) Client Satisfaction survey is conducted biennially by EII. Client satisfaction is obtained from the question, "How satisfied were you with the overall services and information at this LMIC?" The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, somewhat dissatisfied and very dissatisfied). The per cent satisfied includes those who were very satisfied and somewhat satisfied. The estimated margin of error was ±2.3% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

Materials and Resources
An independent consultant conducts the Workplace and Labour Market Information Products Customer Satisfaction Survey biennially. In 2005-06, a survey was conducted for this measure and 2006-07 was not a scheduled year to administer the survey.

Career Information Hotline
A biennial satisfaction survey of clients who access Career Information Hotline (CIH) services by telephone is conducted using the Speech Automated Survey System (SASS) supported by an external partner, VoiceLink. For information on the VoiceLink SASS system, see Performance Measure 1.a, Student Funding Contact Centre. In 2005-06, a survey was conducted for this measure and 2006-07 was not a scheduled year to administer the survey.

Student Funding Contact Centre
A biennial satisfaction survey of clients who access Student Funding Contact Centre (SFCC) services by telephone is conducted using SASS, which is supported by an external partner, VoiceLink. Client satisfaction is obtained from the question, "Overall, how satisfied were you with the service provided by the SFCC?" The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, somewhat dissatisfied and very dissatisfied). The per cent satisfied includes those who were very satisfied and somewhat satisfied.

Callers are notified of the survey at the beginning of the call. Once the call is complete, consenting callers are transferred into SASS where a professionally recorded personality greets them and guides them through the survey. Callers are not randomly sampled so margin of error estimates do not apply.

Labour Relations Code

- Construction Industry Jurisdictional Assignment Plan Regulation (AR 2/2000)
- Construction Industry Labour Relations Regulation (AR 165/2005)
- Horizon Oil Sands Project Designation Regulation (AR 264/2004)
- Regional Health Authority Collective Bargaining Regulation (AR 80/2003)

Land Agents Licensing Act

- Land Agents Licensing Regulation (AR 227/2001)

Land Surveyors Act

- Code of Ethics (AR 324/1982)
- Discipline Regulation (AR 325/1982)
- Examination and Training Regulation (AR 86/2003)
- Professional Practice Regulation (AR 327/1982)

Managerial Exclusion Act

- No regulations

MLA Compensation Act

- No regulations

Natural Gas Rebates Act

- Heating Oil and Propane Regulation (AR 78/2003)

Northern Alberta Development Council Act

- No regulations

Occupational Health and Safety Act

- Farming and Ranching Exemption Regulation (AR 27/1995)
- Occupational Health and Safety Code 2006 Order (AR 288/2006)
- Occupational Health and Safety Regulation (AR 62/2003)

Police Officers Collective Bargaining Act

- No regulations

Professional and Occupational Associations Registration Act

- Alberta Community Planner Regulation (AR 240/1989)
- Alberta Institute of Purchasing Management Regulation (AR 131/1989)
- Alberta Shorthand Reporters Regulation (AR 197/1996)
- Certified Management Consultants Regulation (AR 166/2005)
- Human Ecologist and Home Economist Regulation (AR 119/2002)
- Information Systems Professional Regulation (AR 39/1997)
- Local Government Managers Regulation (AR 52/2006)
- Municipal Assessor Regulation (AR 84/1994)
- Professional Biologists Regulation (AR 120/2002)
- Professional Chemists Regulation (AR 248/2001)
- Professional Electrical Contractors Regulation (AR 36/2004)
- School Business Officials Regulation (AR 37/2004)

Public Service Employee Relations Act

- No regulations

Percentage of clients reporting satisfaction with the program/service:

- Work Foundations
- Training for Work

METHODOLOGY

Work Foundations and **Training for Work**
Satisfaction results for these programs were obtained through the Work Foundations (WF) and Training for Work (TFW) Work Outcomes Reporting Project (WORP) surveys. Client satisfaction is obtained from the question, "How satisfied were you with the training overall?" The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, somewhat dissatisfied and very dissatisfied). The per cent satisfied includes those who were very satisfied and somewhat satisfied.

For information on the WORP survey, see Performance Measure 1.a., Career Development Information Services. The estimated margin of error was ±3.5% for Training for Work and ±3.4% for Work Foundations at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.b

Percentage of participants employed post-intervention.

METHODOLOGY

This performance measure indicates the success in finding employment for participants in EII's skills programs. The percentage of participants employed post-intervention includes those in WF, TFW, Job Placement (JP) and Apprenticeship programs. Results for the WF, TFW and JP portions of this measure are obtained through the TFW and WF WORP surveys. To measure the rates of those employed after leaving the Apprenticeship program, Alberta Advanced Education and Technology conducts a Graduates of Apprenticeship Survey every two years.

The number of participants for each program is obtained from various sources such as: Career Assistance Information System, Human Resources and Skills Development Canada/EII Results Dataset Analysis. Each program is assigned a weight based on their total participation volume count. These values are calculated by dividing the number of participants for a particular program by the total number of participants in all programs.

The percentage of WF/TFW/JP participants employed post-intervention is obtained for the question, "Have you been employed at any time since you left <program name>?" "Yes" and "No" responses are used to calculate the measure result. The percentage of Apprenticeship participants employed post-intervention is obtained from the Graduates of Apprenticeship Satisfaction Survey. This survey is conducted biennially and was last conducted in 2005-06. The 2005-06 survey results were used for calculating the 2006-07 measure results due to the absence of a 2006-07 survey.

The weighted value for each program is obtained by multiplying the percentage of participants employed in a particular program by the weight for that program. The weighted values for all programs are added together to obtain the final, overall figure.

For information on the WORP survey, see Performance Measure 1.a., Career Development Information Services. The estimated margins of error were ±3.4 % (WF), ±3.5% (TFW) and ±4.7% (JP) at a 95% confidence level. For the Apprenticeship survey, the estimated margin of error rate was ±1.8% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.c

Percentage of participants who indicate their training helped prepare them for future employment.

METHODOLOGY

The percentage of participants who indicated their training helped prepare them for future employment includes those in Training for Work (TFW) and Work Foundations (WF) programs. Results for this measure are obtained through the TFW and WF Work Outcomes Reporting Project (WORP) surveys.

The number of participants for each program is obtained from the Career Assistance Information System. Each program is assigned a weight based on their total participation volume count. These values are calculated by dividing the number of participants for a particular program by the total number of participants in all programs. The percentage of participants who indicate their training helped prepare them for future employment is generated for the question, "Did your training prepare you for future employment/future training?" The weighted value for each program is obtained by multiplying the percentage of participants whose training helped prepare them for future employment in a particular program by the weight for that program. The weighted values for all programs are added together to obtain the final, overall figure.

For information on the WORP survey, see Performance Measure 1.a., Career Development Information Services. The estimated margins of error were ±3.5% (WF) and ±3.6% (TFW) at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.d

Percentage of Child Support Services for whom a support order or agreement is obtained.

METHODOLOGY

Each time an eligible client applies for Income Support, which can occur more than once per year, the client is automatically referred to Child Support Services. Subsequently, Child Support Services allocates resources to open the client's file, review new information if any, work to ensure an order or agreement is in place where appropriate, and eventually close the file. The intended outcome of Child Support Services is to have an order or agreement in place, regardless of when the order or agreement is obtained (e.g., obtained in a previous year). This

ensures the child support amount is appropriate and enforceable by the appropriate agency (e.g., Alberta Justice Maintenance Enforcement Program).

The performance measure result is based on the cumulative total of monthly Child Support Services file closures. This excludes those files that were determined, after a Child Support Services assessment, to have no potential for child support order or agreement. (Examples of reasons include no ability to pay, whereabouts unknown, respondent deceased, couple reconciled, etc.). This result forms the denominator, from which the number of files with an order or agreement in place at the time of file closure is used as the numerator. Results from April 2006 to March 2007 are reported as a percentage of the cumulative total of monthly file closures with a support order or agreement.

PERFORMANCE MEASURE 1.e

Percentage of Alberta Child Health Benefit (ACHB) parents who agree they are able to obtain health services they would not otherwise have been able to get for their children.

METHODOLOGY

Parents receiving the ACHB are surveyed biennially to provide feedback on the services they receive. The result of this measure is a weighted average of the results of three survey questions:
"Using a scale of strongly disagree, somewhat disagree, somewhat agree or strongly agree, to what extent do you disagree or agree that:

1. The Alberta Child Health Benefit Program helps your children get dental services that they would not otherwise be able to receive.
2. The Alberta Child Health Benefit Program helps your children get optical services (such as eye care and glasses) that they would not otherwise be able to receive.
3. The Alberta Child Health Benefit Program helps your children get prescribed drugs that they would not otherwise be able to receive."

The satisfaction rating scale for this series included four points (strongly agree, somewhat agree, somewhat disagree and strongly disagree). The per cent of clients who agree includes those that strongly agree and somewhat agree.

The weight for each question is calculated by dividing the number of responses for that question by the number of total responses for all three questions. The percentage of strongly agree and somewhat agree responses in all responses for each question is then multiplied by the weight to generate a weighted value for that question. The result of this measure is the sum of the weighted values of the three questions. The estimated margins of error were ±5.1% (dental services), ±5.3% (optical services) and ±5.1% (prescribed drugs) at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.f

Satisfaction of individuals with program/service: Income Support

METHODOLOGY

Results for this measure are obtained through the Income Support Work Outcomes Reporting Project (WORP) survey. Client satisfaction is obtained from the question, "Overall, how satisfied were you with the social assistance services you received?" The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, somewhat dissatisfied and very dissatisfied). The per cent satisfied includes those who were very satisfied and somewhat satisfied.

For information on the WORP survey, see Performance Measure 1.a., Career Development Information Services. The estimated margin of error was ±4.9% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.g

Percentage of participants employed after leaving Income Support.

METHODOLOGY

Results for this measure are obtained through the Income Support Work Outcomes Reporting Project (WORP) survey. The participants' employment level is obtained from the question, "Have you been employed at any time since you stopped receiving social assistance (welfare)?" "Yes" and "No" responses are used to calculate the measure result.

For information on the WORP survey, see Performance Measure 1.a., Career Development Information Services. The estimated margin of error was ±4.9% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 1.h

Inter-provincial rank of labour force participation

METHODOLOGY

The labour force participation rate is a measure of the proportion of an economy's working-age population (ages 15 and over) that is employed or actively seeking employment. It is calculated as a 12-month average of the monthly results, which are distributed by Statistics Canada through the Labour Force Survey statistics. The labour force participation rate for Alberta is compared to each of the 10 provinces and the inter-provincial ranking is determined.

PERFORMANCE MEASURE 2.a

Number of provincial nominations forwarded to federal government

METHODOLOGY

The Provincial Nominee Program (PNP) forwards nominations to the federal government to help skilled foreign workers expedite their applications for immigrant status. This helps Alberta employers to attract skilled workers in selected occupations and is a key program EII provides to address the skilled labour shortages.

PNP staff monitors the number of nominations forwarded to the federal government using the PNP database. The result of this measure is produced at the end of the fiscal year through a count of PNP nominations forwarded.

PERFORMANCE MEASURE 3.a

Manufacturing and service industry investment ($billions) – The value of new capital expenditures on construction and machinery and equipment in Alberta's manufacturing and services industries. (% Change)

METHODOLOGY

Statistics Canada surveys all industries once a year about their actual past years' capital investments, as well as their intended investments for the current year. Data are reported in the Statistics Canada's *Private and Public Investment in Canada, Intentions* publication. The estimated investment values for the manufacturing and utilities sectors come from this document directly. For services, the following industries are aggregated: transportation and warehousing; information and cultural industries; wholesale trade; retail trade; finance and insurance; real estate rental and leasing; professional, scientific and technical services; management of companies and enterprise; administrative and support, waste management; arts, entertainment and recreation; accommodation and food services; and other services. Excluded are: housing, primary industries, construction and institutions (e.g., public administration, health and education). The industries referenced as included in the calculation are added together to obtain the level of manufacturing and service industry investment.

PERFORMANCE MEASURE 3.b

Percentage of employers who reported no positions vacant for over four months.

METHODOLOGY

The result of this measure is based on the biennial Wage and Salary Survey. In 2005-06, a survey was conducted for this measure and 2006-07 was not a scheduled year to administer the survey.

PERFORMANCE MEASURE 3.c

Growth in manufacturing and business and commercial services (Real GDP in chained 1997 dollars, billions). (% Change)

METHODOLOGY

This information is obtained from the table published by Statistics Canada entitled Gross Domestic Product (GDP) by Industry in Millions of Dollars. This is a supplementary table to the *Provincial Economic Accounts, Annual Estimates*. GDP figures for four industries are added and they include: manufacturing; information and cultural industries; professional, scientific and technical services; and administrative and support, waste management and remediation services. This total is then divided by the total GDP figure for all industries.

This data is in chained 1997 dollars. Chained dollars is a measure used to express real prices. Real prices are those that have been adjusted to remove the effect of changes in the purchasing power of the dollar. They usually reflect buying power relative to a reference year, for example in chained 1997 dollars.

PERFORMANCE MEASURE 3.d

Number of visits to the website www.alberta-canada.com.

METHODOLOGY

Examining the number of website visits provides an indication of the level of activity in obtaining economic information. WebTrends software is used to analyze log files and then to produce a monthly report of website statistics for www.alberta-canada.com. The monthly figures are then compiled into the overall number of website visits for the year.

PERFORMANCE MEASURE 3.e

Demand for business information delivery through the Business Link and the Calgary Business Information Centre: Walk-in/Phone/Email

METHODOLOGY

This measure monitors client interactions between The Business Link (Edmonton Office) (TBL) and the Calgary Business Information Centre (CBIC). Most of the clients from around the province are entrepreneurs and those working in small businesses. Both TBL and CBIC are independent partners of EII. The number of client interactions are recorded and tracked by TBL and CBIC, respectively, which encompass this measure's result.

PERFORMANCE MEASURE 3.f

Percent satisfied with Employment, Immigration and Industry publications (biennial survey).

METHODOLOGY

An independent research consulting firm is contracted to conduct the biennial satisfaction survey. The firm conducts a telephone survey for print subscribers of EII publications and an online

survey for online subscribers. The following publications are included in the survey: *Inventory of Major Alberta Projects*, *Monthly Economic Review*, *International Trade Review*, *Inventory of Alberta Regional Projects*, and *Highlights of the Alberta Economy*.

Results for this measure are obtained through the Client Satisfaction Survey of Publications. Client satisfaction is obtained from the question, "On a scale of 1 to 4 where 1 is very satisfied, 2 is somewhat satisfied and 3 is somewhat dissatisfied, and 4 is very dissatisfied, thinking about your overall experience with EII's publications, generally were you…? 1. Very satisfied 2. Somewhat satisfied 3. Somewhat dissatisfied 4. Very dissatisfied 5. Don't know." The satisfaction rating scale for this series included six points (very satisfied, somewhat satisfied, somewhat dissatisfied, very dissatisfied, don't know and refuse). The per cent satisfied includes those who were very satisfied and somewhat satisfied.

The estimated margin of error was ±4.4 % at a 95% confidence interval. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 3.g

Manufacturing shipments ($billions) – Annual value of all manufacturing shipments by Alberta companies within Alberta, and to other provinces and countries. (% Change)

METHODOLOGY

Manufacturing shipments are the total annual value of all manufacturing shipments by Alberta companies to other provinces, countries and within Alberta. The annual total manufacturing shipments for Alberta are used for this measure. Statistics Canada surveys the entire manufacturing sector throughout the year. A sampling of the total population of manufacturing companies is done monthly. Using this sample, Statistics Canada incorporates multiple statistical techniques to derive the provincial estimates.

PERFORMANCE MEASURE 3.h

Business investment in machinery and equipment in Alberta as percent of GDP (Real GDP in chained 1997 dollars). (% Change in machinery and equipment)

METHODOLOGY

Investment in machinery and equipment provides an important indicator of efforts towards economic growth through productivity. This measure monitors the estimated business investment in machinery and equipment as a percentage of the Gross Domestic Product. This exact figure's annual data are directly obtained from Statistics Canada, *Provincial and Territorial Economic Accounts Review* (Catalogue No. 13-016).

For information on chained dollars, see Performance Measure 3.c.

PERFORMANCE MEASURE 4.a

Number of communities participating in regional economic alliances and partnerships.

METHODOLOGY

Regional Economic Development Alliances (REDAs) and partnerships include self-selecting communities and supportive partners that utilize a collaborative approach to achieve prosperity. They encompass a defined geographical area based on a shared economic vision for the future. Sub-regional partnerships do not receive funding from EII and are usually ad-hoc in nature. REDAs are supported based on Memoranda of Understanding with EII and through formal grant funding agreements.

The data for this measure are determined from membership lists maintained by the REDAs. All REDAs' and partnerships' community information is received from the alliance management and administration. Communities participating in more than one REDA or partnership are counted only once.

PERFORMANCE MEASURE 4.b

Percent of Regional Economic Development Alliance board members satisfied with Employment, Immigration and Industry staff support.

METHODOLOGY

Results for this measure are obtained through the Regional Economic Development (RED) Unit satisfaction survey. Client satisfaction is obtained from the question, "Thinking about the services provided by EII to your Alliance, how would you rate your overall satisfaction with EII RED Unit Staff?" The satisfaction rating scale for this series included five points (very satisfied, somewhat satisfied, somewhat dissatisfied, very dissatisfied and neutral). The per cent satisfied includes those who were very satisfied and somewhat satisfied.

The survey was conducted using two data collection methods: mail surveys and telephone surveys. In January 2007, survey questionnaires were sent to Regional Economic Development Alliances (REDAs). A total of 54 REDA board members completed the survey using this method. In March 2007, an independent consultant company was contracted to conduct telephone surveys with the remaining board members. A total of 48 surveys were completed using this method. After both collection methods were combined, 102 members participated in the survey out of the 128 board members. Participants are not randomly sampled so margin of error estimates do not apply.

PERFORMANCE MEASURE 4.c

Partner satisfaction with Northern Alberta Development Council's contribution in advancing northern interests.

METHODOLOGY

The Northern Alberta Development Council (NADC) conducts a clients and partners survey annually through an independent consulting company. The 2007 survey was designed by NADC

staff and administered by the consulting company via telephone. The result of this measure was based on participants' responses to the question, "Overall and on a scale of 1 through 10, with 1 being very dissatisfied and 10 being very satisfied, how would you rate your satisfaction of the Northern Alberta Development Council's contribution to advancing northern interests?" The result was calculated as an average of the numerical values from all the responses. The estimated margin of error was ±5.5% at a 95% confidence level. The margin of error calculation is based on the number of completed surveys addressing the performance measure question.

PERFORMANCE MEASURE 4.d

Bursary Return Rate

METHODOLOGY

Follow-up is completed on each recipient of an NADC Bursary by the bursary co-ordinator through correspondence and telephone contact with recipients and the employers of recipients. Information from this follow-up is entered in to the bursary database and verified for accuracy.

After all information received by March 31 has been entered into the database by the bursary co-ordinator, data is extracted from the database through a query. The query pulls data for all the recipients who have completed their studies in the past three calendar years and whose status is either: Working North, Obligation Fulfilled, or Default. The bursary return rate for a single year is calculated based on the percentage of recipients who fall under the first two status types, that is either they are working in northern Alberta or have already fulfilled their obligation under the bursary. The percentage for each year is calculated, after which a weighted average is calculated over the past three calendar years. The weights used to calculate the weighted average are the percentage of recipients in that year over the total number of recipients for the three year period.

PERFORMANCE MEASURE 5.a

Lost-Time Claim Rate (LTC): number of lost-time claims per 100 person-years worked.

METHODOLOGY

The LTC rate represents the probability, or risk, of injury or disease to a worker during a period of one year's work. The measure indicates the number of lost-time claims per 100 person-years worked to indicate increases or decreases in this risk. One person-year is equivalent to one full-time worker working for one year, or 2,000 hours worked.

The Workers' Compensation Board – Alberta (WCB) records a LTC when a worker, his/her physician, or his/her employer submits an injury report form. The WCB collects this information and provides the data files to EII for analysis. The LTC rate is reported by calendar year and is calculated by EII using the following formula:

$$\text{LTC Rate} = \frac{\text{Number of LTCs} \times 100}{\text{Estimated Person-Years}}$$

PERFORMANCE MEASURE 5.b

Percentage of collective bargaining agreements settled without a work stoppage (strike or lockout).

METHODOLOGY

This measure examines the percentage of Collective Bargaining Agreements (CBAs) that have been successfully negotiated and ratified by the parties involved without a work stoppage.

EII collects data on the number of CBAs settled without a work stoppage and the number of legal strikes and lockouts. This measure examines the total number of CBAs settled but does not include data on illegal strikes and lockouts. This measure is reported by fiscal year and is calculated using the following formula:

% of CBAs settled without a work stoppage* =

$$\frac{\text{\# of settled CBAs} - \text{\# of settlements with a work stoppage}}{\text{\# of settled CBAs}} \times 100\%$$

* This measure includes data from all contracts under the Alberta Labour Relations Code and the Police Officers' Collective Bargaining Act. Contracts covered under other legislation are excluded (i.e., contracts under the *Public Service Employees Relations Act*, Federal jurisdiction, the *Post-Secondary Learning Act*).

PERFORMANCE MEASURE 5.c

Percentage of employers whose employment practices resulted in no complaints being registered with Employment Standards.

METHODOLOGY

The data for the total number of employers with a complaint filed against them is captured by EII's Employment Standards Information System (ESIS). The data for the total number of employers in Alberta is obtained from Statistics Canada, Canadian Business Patterns. This data set is a repository of information reflecting the Canadian business population and serves as a data source for the compilation of business demographic information. Data is collected daily and cleansed monthly. This data is filtered to count only employers who fall under the Alberta *Employment Standards Code* and *Regulations*, and who have one or more employees.

The rate for this measure is calculated using the following formula:

$$\frac{\text{(total \# of employers in Alberta)} - \text{(total \# of employers with a complaint filed against them)}}{\text{total number of employers in Alberta}} \times 100\%$$

PERFORMANCE MEASURE 5.d

Satisfaction of individuals and organizations which have used selected workplace programs and services:

- Workplace Health and Safety Contact Centre
- Employment Standards Contact Centre

METHODOLOGY

A satisfaction survey of clients who access the two contact centres by telephone is conducted biennially using the Speech Automated Survey System (SASS) supported by an external partner, VoiceLink. For information on SASS, see Performance Measure 1.a, Student Funding Contact Centre. In 2005-06, a survey was conducted for this measure and 2006-07 was not a scheduled year to administer the survey.

PERFORMANCE MEASURE 6.a

Average number of days from the acceptance of an application to the date of the first hearing.

METHODOLOGY

The Alberta Labour Relations Board (ALRB) Case Management System tracks all data relating to applications and hearing dates. In this performance measure, a report has been created from the database that identifies each matter before ALRB during the reporting period. It calculates the average number of calendar days for all matters from the date of the application to the first day of the first hearing.

PERFORMANCE MEASURE 6.b

Percentage of applications, with Board involvement, settled before reaching a formal hearing.

METHODOLOGY

The ALRB Case Management System tracks all data relating to the disposition of matters. In this performance measure, a report is created from the database that identifies each matter before ALRB and the type of resolution for that matter (withdrawal/informal/settlement). The number of matters resolved before hearings are identified and calculated as a percentage of all matters.

PERFORMANCE MEASURE 6.c

Percentage of decisions rendered within 90 calendar days from the completion of the hearing(s).

METHODOLOGY

The ALRB Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the

date that the decision was released. Those decisions that are completed in 90 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

PERFORMANCE MEASURE 6.d

Percentage of decisions rendered within 180 calendar days from the completion of the hearing(s).

METHODOLOGY

The ALRB Case Management System tracks all data relating to hearings and decision timelines. In this performance measure, the case management system is used to identify those decisions that meet the reporting period requirements and calculates the duration from the date that a commitment date was input (or the final date of hearing if a commitment is not required) to the date that the decision was released. Those decisions that are completed in 180 days or less are calculated as a percentage of the total number of decisions released during the reporting period.

PERFORMANCE MEASURE 7.a

Average number of days of processing time required by the Appeals Commission from the date the appeal is received until the appeal is finalized: (Standard and Complex Appeals)

METHODOLOGY

The Appeals Commission Appeals Management System (AMS) tracks all data in a fiscal year relating to each appeal. AMS generates a report that calculates the average number of days from the date an appeal is first entered into the system until the panel issues the final decision.

The average number of days figure is calculated by subtracting the average number of days that are not in the Commission's control from the average total days from 'appeal' to 'finalize' statuses. The statuses that are not in the Commission's control are intake pending, pending, administrative adjournment, adjourned sine-die, adjourned party and client deferred.

The Appeals Commission Business Rules outline the process for changing the appeal stream from Standard to Complex after the intake stage.

PERFORMANCE MEASURE 7.b

Percentage of the total number of Appeals Commission decisions issued that are either not challenged or are not overturned upon review by the Courts, the Ombudsman or by the Appeals Commission on reconsideration.

METHODOLOGY

The Appeals Commission AMS tracks all data relating to each appeal. AMS generates a report that calculates the number of decisions sent back by the Courts or the Ombudsman. AMS also generates a report that calculates the number of decisions the Appeals Commission reconsiders on its OWN Motion. In 2002, the *Workers' Compensation Act* was amended to include a statutory right of appeal (s. 13.4) on questions of law or jurisdiction.